

***United States Court of Appeals  
for the Second Circuit***



**APPENDIX**





75-7231

UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT

No. 75-7231

EINAR A. HELSING,

Plaintiff-Appellee,

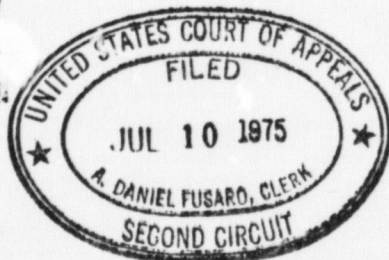
vs.

STAMFORD MOTORS, INC.,

Defendant-Appellant

On Appeal From The United States District Court  
For The Southern District of New York

JOINT APPENDIX



Samuel V. Schoonmaker, III  
Paul E. Knag  
Attorneys for Defendant-Appellant  
Cummings & Lockwood  
One Atlantic Street  
Stamford, Connecticut 06904

Charles L. MacDonald  
David Fleischer  
Attorneys for Plaintiff-Appellee  
Belle, Fowler, Lidstone, Jaffin,  
Pierce & Kheel  
280 Park Avenue  
New York, New York 10017

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EINAR A. HELSING vs. STAMFORD MOTORS, INC.

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x  
LINAR A. HELSING,

Plaintiff,

73 Civ.

-against-

STAMFORD MOTORS, INC.,

COMPLAINT

Defendant.  
-----x

Plaintiff Linar A. Helsing, by his attorneys, Battle, Fowler, Lidstone, Jaffin, Pierce & Kheel, complaining of defendant Stamford Motors, Inc., alleges:

1. This is a civil action over which the court has jurisdiction pursuant to 28 U.S.C. §1331.
  2. Plaintiff is a citizen of the State of Maryland.
  3. Upon information and belief defendant is a corporation organized and existing under the laws of the State of New York and maintains its principal office in Stamford, Connecticut.
  4. The matter in controversy exclusive of interest and costs, exceeds the sum of ten thousand dollars.
  5. On or about December 19, 1966 plaintiff and defendant entered into a written agreement wherein it was agreed, inter alia, that if defendant sold certain real estate located on South Street in Stamford, Connecticut (hereinafter referred to as the "South Street Property") within three years
- /

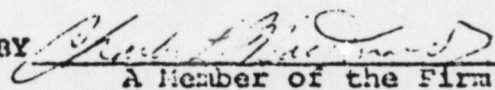
from the date of the agreement and the net selling price, as defined in the agreement, exceeded seven hundred thousand dollars, that defendant would pay plaintiff an amount equal to twenty-five percent of the difference between said net selling price and seven hundred thousand dollars. A copy of said agreement is annexed hereto as Exhibit A.

6. Upon information and belief, on or about June 26, 1972 defendant sold the South Street Property and received consideration therefor in the gross amount of eight hundred thirty thousand dollars pursuant to a written agreement between defendant and Cleante A. Pimpinella and Ralph M. Grosso. A copy of said agreement and the agreement of which it was a part, both dated June 26, 1972, are annexed hereto as Exhibits B and C, respectively.

7. By virtue of the foregoing, defendant is indebted to plaintiff in the sum of approximately thirty-two thousand five hundred dollars, no part of which has been paid, although payment has been demanded.

WHEREFORE, plaintiff respectfully demands judgment against defendant in the sum of thirty-two thousand five hundred dollars plus interest from June 26, 1972, together with the costs and disbursements of this action and such other and further relief as to the Court may seem just and proper.

BATTLE, FOWLER, LIDSTONE, JAFFIN,  
PIERCE & KNEEL

BY   
A Member of the Firm

Attorneys for Plaintiff  
280 Park Avenue  
New York, New York 10017  
(212) 986-8330



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - - x

EINAR A. HELSING, :  
Plaintiff, : 73 Civil No. 5394 LPG  
-against- : ANSWER AND  
STAMFORD MOTORS, INC., : COUNTERCLAIM  
Defendant. :

- - - - - x

Defendant, STAMFORD MOTORS, INC., by its attorneys,  
HYDE, DICKERSON & REILLY, answering the complaint herein,  
alleges upon information and belief, as follows:

1. Denies knowledge or information sufficient  
to form a belief as to the truth of the allegations  
contained in paragraph "1" of the complaint.
2. Denies knowledge or information sufficient  
to form a belief as to the truth of the allegations  
contained in paragraph "2" of the complaint.
3. Admits the allegations contained in paragraph  
"3" of the complaint.
4. Admits the allegations contained in paragraph  
"4" of the complaint.
5. Denies the allegations contained in paragraph  
"5" of the complaint to the extent set forth in the  
counterclaim herein.



6. Denies the allegations contained in paragraph "6" of the complaint to the extent set forth in the counterclaim herein.

7. Denies the allegations contained in paragraph "7" of the complaint.

COUNTERCLAIM

1. On or about December 19, 1966 plaintiff and defendant entered into a written agreement wherein it was agreed, inter alia, that if defendant sold certain real estate located on South Street in Stamford, Connecticut (hereinafter referred to as the "South Street Property") within three years from the date of the agreement and the net selling price, as defined in the agreement, was greater than or less than seven hundred thousand dollars then (a) in the event it was greater than seven hundred thousand dollars, defendant agreed to pay plaintiff an amount equal to twenty-five percent of the difference between said net selling price and seven hundred thousand dollars, and (b) in the event it was less than seven hundred thousand dollars, plaintiff agreed to pay defendant an amount equal to twenty-five percent of the difference between the net selling price and seven hundred thousand dollars.

2. On or about August 16, 1972 defendant transferred the South Street Property and two hundred twelve thousand one hundred thirty-eight dollars in cash in

exchange for certain real property located on Magee Avenue in the City of Stamford all as set out in Exhibits B and C to the complaint. The net selling price on the exchange was five hundred sixty-one thousand dollars.

3. By virtue of the foregoing, plaintiff is indebted to defendant in the sum of thirty-four thousand seven hundred fifty dollars, no part of which has been paid.

WHEREFORE, defendant demands judgment against plaintiff for thirty-four thousand seven hundred fifty dollars plus interest, together with the costs and disbursements of this action and such other and further relief as to the Court may seem just and proper.

Dated: New York, N. Y.  
March 29, 1974

HYDE, DICKERSON & REILLY  
Attorneys for Defendant

By: JOHN M. REILLY, JR.  
A Member of the Firm  
61 Broadway  
New York, N. Y. 10006



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- -x  
LINAR A. HELSING,

Plaintiff,

(L.P.G.)  
73 Civ. 5394

-against-

STAMFORD MOTORS, INC.,

REPLY

Defendant.  
----- -x

Plaintiff Einar A. Helsing, by his attorneys, Battle, Fowler, Lidstone, Jaffin, Pierce & Kheel, for his reply to the counterclaim of defendant Stamford Motors, Inc., alleges as follows:

FIRST: Admits the allegations contained in paragraph 1 of the counterclaim and respectfully refers the court to the agreement dated December 19, 1966, a copy of which is annexed to the complaint as Exhibit A, for the full text of its terms and conditions.

SECOND: Denies the allegations contained in paragraph 2 of the counterclaim except admits that defendant sold the South Street Property pursuant to a written agreement dated June 26, 1972, a copy of which is annexed to the complaint as Exhibit B.

THIRD: Denies the allegations contained in paragraph 3 of the counterclaim.

WHEREFORE, plaintiff respectfully demands judgment dismissing the counterclaim and granting plaintiff the relief demanded in the complaint.

BATTLE, FOWLER, LIDSTONE, JAFFIN,  
PIERCE & KHEEL

BY   
A Member of the Firm

Attorneys for Plaintiff  
280 Park Avenue  
New York, New York 10017  
(212) 986-8330



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X  
EINAR A. HELSING,

Plaintiff,

(L.P.G.)  
73 Civ. 5394

-against-

STAMFORD MOTORS, INC.,

NOTICE OF MOTION

Defendant.  
----- X

PLEASE TAKE NOTICE that upon the annexed affidavit of David Fleischer sworn to on June 13, 1974, the pleadings and proceedings heretofore had herein, plaintiff Einar A. Helsing will move this Court before the Honorable Lee P. Cagliardi at the United States Courthouse, Foley Square, New York, New York on June 25, 1974 at 4:00 o'clock in the afternoon of that day for an order granting summary judgment in favor of plaintiff for the relief demanded in the complaint and dismissing defendant's counterclaim pursuant to Fed. R. Civ. P. 56 and for such other and further relief as to the Court may seem just and proper.

Dated: New York, New York  
June 13, 1974

BATTLE, FOWLER, LIDSTONE, JAFFIN,  
PIERCE & KNEEL

By MICHAEL J. SALTZER  
A Member of the Firm

Attorneys for Plaintiff  
290 Park Avenue  
New York, New York 10017  
(212) 906-8330

TO:

HYDE, DICKERSON & REALEY  
Attorneys for Defendant  
61 Broadway  
New York, New York 10006

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- ::  
EINAR A. HELSING,

Plaintiff,

(S.D.C.)  
73 Civ. 5394

-against-

STAMFORD MOTORS, INC.,

AFFIDAVIT

Defendant.  
----- x

STATE OF NEW YORK     )  
                              : ss.:  
COUNTY OF NEW YORK    )

David Fleischer, being duly sworn, deposes and says:

I am associated with Battle, Fowler, Lidstone, Jaffin, Pierce & Wheel, attorneys for plaintiff Einar A. Helsing ("Helsing") in the above entitled action and am familiar with all proceedings heretofore had herein. This affidavit is submitted in support of Helsing's motion for summary judgment under Fed. R. Civ. P. 56.

Helsing's claim is based upon the terms of an agreement dated December 19, 1969 between Helsing and defendant (hereinafter referred to as the "Agreement") whereby Helsing sold his stock interest in the defendant corporation. As part of the Agreement defendant agreed in paragraph 3 that if it sold a certain parcel of real property located on South Street in Stamford, Connecticut (hereinafter referred to as the "South Street Property") within three years of the date of the Agreement and the net selling price, as defined therein, exceeded \$700,000, it would pay Helsing a sum of money equal to twenty-five percent of the difference



between said not selling price and \$700,000. (Complaint ¶5). Similarly if the not selling price was less than \$700,000 then Helsing would pay defendant twenty-five percent of the difference. A copy of the Agreement is annexed hereto as Exhibit A. Although defendant's answer to paragraph 5 of the complaint is couched in terms of a denial, the substance of paragraph 1 of its counter-claim based on the same provision indicates that no dispute exists with respect to the terms of the Agreement.

Paragraph 6 of the complaint alleges that on or about June 26, 1972, i.e., within three years of the Agreement, defendant sold the South Street Property and received consideration therefor in the gross amount of \$830,000 pursuant to the terms of a written agreement between defendant as "seller" and Cleante A. Pimpinella and Ralph M. Grasso as "purchaser." Paragraph 3 of the latter agreement provides in pertinent part as follows: "The purchase price [for the South Street Property] is EIGHT HUNDRED THIRTY-THOUSAND Dollars (\$830,000.00)..." The latter agreement and the agreement of which it was a part, both dated June 26, 1972, are annexed hereto as Exhibits B and C respectively.

Further confirmation of the sale price of the South Street Property is found in the closing statement prepared by the attorneys for defendant. The South Street Property is referred to as "Parcel 2" in the statement, a copy of which is annexed hereto as Exhibit D.

Again, although defendant's answer to paragraph 6 of the complaint is couched as a denial, in paragraph 2 of its counter-claim the sale of the South Street Property in accordance with the terms of the agreements annexed hereto as Exhibits B and C is affirmatively alleged. Accordingly, no dispute with respect to

the terms of defendant's sale of the South Street Property exists. In light of the foregoing documents all that remains in order to ascertain defendant's liability (and Helsing's lack of liability on defendant's counterclaim) herein is the calculation of "net selling price" as defined in the Agreement.

In paragraph 3 of the Agreement "net selling price" is defined to mean "the selling price of the real estate [i.e., the South Street Property] computed by deducting all expenses incurred by the Company attributable to the sale including but not limited to commissions, legal fees, transfer taxes and all federal, state or local income or other taxes payable by the Company, if any." It is further provided that amounts payable under paragraph 3 shall be paid ninety days after the real estate is sold. Defendant admits in paragraphs 1(a), 1(f), 1(g), and 1(h) of its answers to Helsing's interrogatories that no commissions, local taxes, or expenses apart from those discussed below were paid by defendant. Copies of Helsing's interrogatories and defendant's answers thereto are annexed hereto as Exhibits E and F respectively.

In paragraph 1(b) of its answers to Helsing's interrogatories defendant states that legal fees of \$30,850 for the period March 1, 1971 through March 31, 1973 were paid to its attorneys and then states: "Defendant on information and belief believes \$5,000 of this amount is reasonably attributable to the transfer of the South Street Property." Nevertheless, a bill from defendant's attorneys for the period April 12, 1972 through August 21, 1972 clearly indicates that the legal fees paid in connection with the sale of the South Street Property as well as several unrelated matters totaled only \$3,573. A copy of the latter bill for legal

~~It is hoped that defendant's answering papers will indicate how much of the \$3,573 is attributable to the unrelated matters on the bill.~~



services is annexed hereto as Exhibit G. Thus, the actual amount paid by defendant for legal fees is less than \$3,573.

Paragraph 1(c) of defendant's answers to Helsing's interrogatories indicates that a check for a conveyance tax in the amount of \$913, dated August 16, 1972, was issued to the Town Clerk, City of Stamford. Under the Agreement this is a proper deduction for the purpose of computing "net selling price."

In paragraph 1(d) of defendant's answers to Helsing's interrogatories it is alleged that defendant "incurred" deferred federal income taxes in the amount of \$264,000. Defendant's federal income tax return for the fiscal year ended December 31, 1972, however, indicates that no federal taxes were paid by defendant in connection with its sale of the South Street Property. Nor, does defendant's financial statement for the fiscal year ended December 31, 1972 reflect existing or deferred income tax liabilities. Copies of the latter tax return and financial statement are annexed hereto as Exhibits H and I respectively. As noted above, amounts payable under paragraph 3 of the Agreement were required to be paid ninety days after the sale of the property. Since no federal income taxes were actually paid within the ninety day period or, indeed, on information and belief, to date, "deferred" federal income taxes could not constitute a deduction for the purpose of computing "net selling price" within the meaning of the Agreement.

For the reasons set forth in the foregoing paragraph, the Connecticut State business taxes in the amount of \$56,296 which appear in paragraph 1(c) of defendant's answers to Helsing's interrogatories (and which are treated in the same fashion as federal income taxes) are also immaterial in calculating "net

selling price" within the meaning of paragraph 3 of the Agreement. A copy of defendant's Connecticut business tax return for the fiscal year ended December 31, 1972 is annexed hereto as Exhibit J. Moreover, in the case of this item, paragraph 2 of defendant's counterclaim as elaborated by paragraph 2 of its answers to Helsing's interrogatories does not include these Connecticut taxes in the calculation of "net selling price." Thus, defendant itself does not even claim this item as a proper deduction for the purpose of calculating the "net selling price." Counsel for defendant has informally indicated that defendant intends to amend its answer to paragraph 1(e) of Helsing's interrogatories to read "none." Of course, when this amendment is formally effected the issue of whether a deduction from the sale price for the purpose of calculating "net selling price" will be rendered moot.

In summary, the "net selling price" under paragraph 3 of the Agreement is properly calculated as follows:

Selling Price	\$630,000
Less: Legal Fees (subject to adjustment)	( 3,573)
Transfer Taxes	( 513)
<u>Net Selling Price</u>	<u>\$625,514</u>

Accordingly, the amount due Helsing on September 27, 1972 under the Agreement, 25% of the difference between the "net selling price" (\$625,514) and \$700,000, was \$31,376.50.

For the Court's convenience copies of Helsing's complaint (the exhibits have been omitted but are annexed hereto as Exhibits A, B and C), defendant's answer and Helsing's reply are annexed hereto as Exhibits K, L and M respectively.

Wherefore, the Court is respectfully urged to dismiss defendant's counterclaim and grant summary judgment in favor of



plaintiff Binar A. Heloing in the sum of \$21,367.50 plus interest from September 27, 1972 together with the costs and disbursements of this action.

---

DAVID FLEISCHER

Sworn to before me this  
/30/ day of June, 1973.

---

ROBERT A. CALTON  
Attorney and Counselor at Law  
ROBERT F. FLEISCHER, Clerk of New York  
Court in District Co. No. 30-3743320  
Court held in New York County  
Commenced by Order of Court No. 1070

STOCK PURCHASE AGREEMENT

AGREEMENT made this 19<sup>th</sup> day of December, 1969 between EINAR A. HELSING, 9701 Fields Road, Gaithersberg, Maryland 20760 (hereinafter called "Stockholder"), and STAMFORD MOTORS, INC., a New York Corporation having its office in Stamford, Connecticut (hereinafter called "Company"), and JOHN A. KELLY, EINAR A. HELSING and RONALD A. KELLY, Voting Trustees of the Stamford Motors Voting Trust dated May 12, 1966 (hereinafter called "Voting Trustees").

W I T N E S S E T H :

WHEREAS, Stockholder is the owner of Voting Trust Certificate No. 3 dated May 12, 1966 representing the ownership of 75 shares of the Company's common stock held by the Voting Trustees;

WHEREAS, simultaneously with the execution of this agreement, Stockholder desires to transfer all of his interest in said Voting Trust Certificate and the Company's common shares represented thereby;

WHEREAS, the Company wishes to redeem said Voting Trust Certificate and the 75 shares of its common stock represented thereby on the terms and conditions hereinafter set forth;

EXHIBIT A



WHEREAS, the Voting Trustees wish to terminate the voting trust dated May 12, 1966,

NOW, THEREFORE, it is mutually agreed as follows:

1. Redemption: On execution of this agreement, the Company agrees to purchase and redeem Voting Trust Certificate No. 3 owned by Stockholder and the 75 shares of its common stock represented thereby and Stockholder agrees to transfer said Certificate, duly endorsed in blank, and to do all other acts necessary to effect said redemption.

2. Redemption Price: In consideration of the transfer of said Voting Trust Certificate and the shares represented thereby, Company agrees to deliver to Stockholder on execution of the agreement as follows:

(a) \$255,000 in cash; and

(b) Three promissory notes of the Company each in the amount of \$83,333.33 issued in series and payable over three years substantially in the form annexed hereto and marked Exhibits "A-1", "A-2" and "A-3".

3. Subsequent Events, Increase or Reduction of Redemption Price: Stockholder and Company further agree that in the event the real estate presently owned by the Company and located on South Street in Stamford, Connecticut, is sold within three years from the date of this agreement and the net selling price

(as hereinafter defined) is greater than or less than \$700,000 then (a) in the event it is greater than \$700,000, Company shall pay Stockholder as an increase in the redemption price 25% of the difference between the net selling price and \$700,000; or (b) in the event it is less than \$700,000, Stockholder shall pay Company as a decrease in the redemption price 25% of the difference between the net selling price and \$700,000. For purposes of this paragraph "net selling price" shall mean the selling price of the real estate computed by deducting all expenses incurred by the Company attributable to the sale including, but not limited to, commissions, legal fees, transfer taxes and all Federal, state or local income or other taxes payable by the Company, if any. Amounts payable under this paragraph shall be paid 90 days after the date the real estate is sold. In the event payments are due Company from Stockholder, Company may reduce the principal payment of the notes issued under paragraph 2 to obtain payment under this paragraph.

4. Stockholder Representations: The Stockholder represents, covenants and warrants that he is the owner of Voting Trust Certificate No. 3 representing 75 shares of the common stock of the Company.



5. Company Representations: The Company represents, covenants and warrants that it is duly authorized and empowered to purchase and redeem Voting Trust Certificate No. 3 and the 75 shares of the common stock of the Company represented thereby.

6. Termination of Voting Trust: The Voting Trustees by execution of this agreement unanimously vote to terminate the voting trust and pursuant to paragraph 5 thereof said trust is hereby terminated.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the day and year first above written.

ATTEST:

George K. Nest  
Its Secretary

Einar A. Helsing (L.S.)  
Einar A. Helsing

STAMFORD MOTORS, INC.

BY [Signature]  
Its President

Trustees under Voting Trust  
Agreement dated May 12, 1966

John A. Kelly (L.S.)  
John A. Kelly, Trustee

Ronald A. Kelly (L.S.)  
Ronald A. Kelly, Trustee

Einar A. Helsing (L.S.)  
Einar A. Helsing, Trustee

*Exchange*  
**-AGREEMENT**

made as of the 26 day of June, 1972, and  
between STAMFORD MOTORS, INC., a New York corporation with an office in  
Stamford, Connecticut, acting herein by Ronald A. Kelly, Its President,  
duly authorized

hereinafter  
referred to as the **"Seller"**, and CLEANTE A. PIMPINELLA and RALPH M. GRASSO,  
of 111 Prospect Street, Stamford, Connecticut,

hereinafter  
referred to as the **"Purchaser"**:

**WITNESSETH:**

1. The Seller hereby agrees to sell and convey, and the Purchaser hereby agrees to purchase, the real property, hereinafter referred to as the "Premises", specifically described in Schedule A attached hereto and made a part hereof.

2. Title to the Premises will be conveyed free and clear of all encumbrances, liens or exceptions to title other than those set forth in Schedule A hereof or in paragraph 15 hereof.

3. The purchase price is EIGHT HUNDRED FIFTEEN THOUSAND - - - - -

- - - - - Dollars \$ 815,000.00

which the Purchaser agrees to pay as follows:

- (a) As earnest money heretofore paid, receipt of which, subject to collection, is hereby acknowledged; \$ 0.00
- (b) Upon the signing of this Agreement, receipt of which, subject to collection, is hereby acknowledged; \$ 0.00
- (c) In cash or by certified check or bank draft on the date of the closing of title and upon delivery of the deed as hereinafter provided; \$ 815,000.00
- (d) Other (see Schedule B attached hereto and made a part hereof). \$ 0.00

**TOTAL**

\$ 815,000.00

4. Included in this sale, for the aforesaid purchase price, are the following items, insofar as any of them are now located on and belong to the Premises: heating, electrical and plumbing systems; all storm windows and doors; screens and screen doors; window shades; venetian blinds; curtain rods; awnings; and exterior television antennae; together with

5. The deed of conveyance to the Premises shall be in the form of a full covenant and Warranty Deed in the usual Connecticut form, which shall be duly executed, acknowledged and delivered, all at the Seller's expense, conveying the fee simple title in and to the Premises to the Purchaser, free and clear of all encumbrances, liens and exceptions to title other than those set forth in Schedule A hereof or in paragraph 15 hereof. The Seller shall pay any conveyance tax due in connection with this transaction imposed on Seller by Sec. 12-494 through Sec. 12-504 of the General Statutes of Connecticut, 1955 Revision (as amended).

6. The taxes of the City or Town in which the Premises are situated will be apportioned, in accord with local custom, as of the date of the closing of title. Water rents and other assessments, charges and taxes affecting the Premises shall also be apportioned as of the date of the closing of title. Should any tax, assessment or rate be undetermined on the date of the closing of title, the last determined tax, assessment or rate shall be used for the purpose of the apportionment.

7. The Purchaser agrees to reimburse the Seller at the closing of title for any fuel oil, bottled gas or other gas which may be left on the Premises by the Seller on the date of the closing of title.

8. The Purchaser further agrees with and represents to the Seller that he has examined the Premises; that he is fully satisfied with the physical condition thereof; and that neither the Seller nor any representative of the Seller has made any representation or promise upon which the Purchaser has relied concerning the condition of the Premises or of any property covered by this Agreement, except as herein may be expressly set forth.

**Exhibit B**





16. Subject to the following notice provision, this Agreement is not in effect until Purchaser obtains a commitment for a loan, to be secured by a first mortgage on the Premises, in the amount of \$....., at ..... percent interest per annum, to be amortized over a ..... year term and to be on such other terms and conditions, including prepayment limitations and interest rate changes, as are imposed by any lending institution where Purchaser makes application for such loan at the time Purchaser makes such application. Purchaser agrees to make immediate application for such a loan and to pursue said application with diligence. In the event such commitment is not obtained by Purchaser on or before ....., Purchaser, to take advantage of this contingency, must cause notice of Purchaser's inability to obtain such a commitment to be given to Seller, c/o Seller's attorney, ..... c/o Cummings & Lockwood, at the address set forth in Paragraph 12 hereof, by Purchaser's attorney. Receipt of such notice by Seller's named attorney shall constitute receipt by Seller of such notice. If Seller's named attorney does not receive such notice prior to 5 p.m. on said date, this Agreement shall remain in full force and effect as if this paragraph had not been included herein. If Seller's named attorney does receive such notice prior to 5 p.m. on said date, Seller shall return to Purchaser all sums paid hereunder (except for \$..... for the preparation of this Agreement), without interest thereon, and, upon the return of said sums, this Agreement shall terminate and be of no further force or effect and Seller and Purchaser shall be discharged of all liability, each to the other, hereunder.

17. This Agreement and Purchaser's rights hereunder may not be assigned by Purchaser without the written consent of Seller.

18. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

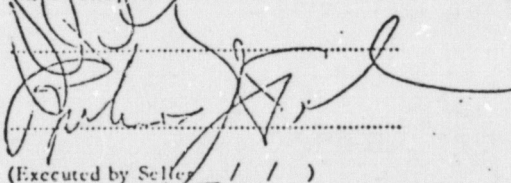
SEE RIDER:

The covenants and stipulations of this Agreement shall apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto, subject, however, to the terms of Paragraph 17 hereof.

In Witness Whereof, the parties hereto have hereunto set their hands and seals on the day(s) and in the year hereinafter indicated.

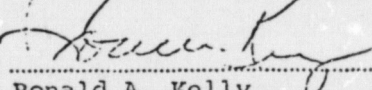
Signed, Sealed and Delivered  
in the Presence of:

As to Seller:

  
(Executed by Seller / / )

STAMFORD MOTORS, INC.

BY

  
Ronald A. Kelly  
Its President

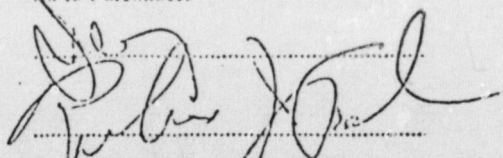
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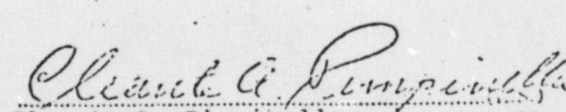
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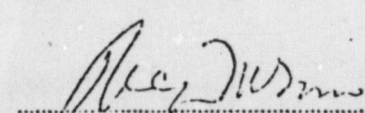
SELLER

As to Purchaser:

  
(Executed by Purchaser / / )

  
Cleante A. Pimpinella

PURCHASER

  
Ralph M. Grasso

(I.S.)

PURCHASER



RIDER

STAMFORD MOTORS, INC.

to

CLEANTE A. PIMPINELLA

and

RALPH M. GRASSO

1. This contract and the Sellers obligation to deliver a deed hereunder are made conditional on the simultaneous closing of title of certain property at Magee and Shippan Avenues, which is owned by the Purchasers herein and is to be conveyed, in part to the Seller herein and in part to Ford Leasing Development Company. In the event that title to the aforesaid property does not pass, this contract shall be deemed cancelled and neither party shall have any rights hereunder.

2. Purchaser hereby agrees as part of the consideration for this transaction, to lease back the subject premises described in Schedule "A" to the Seller in accordance with the terms of the Lease Agreement attached hereto as Schedule B.

It being understood that the term of the attached lease shall commence as of the date of closing of title on the aforementioned Magee and Shippan Avenues property and the date for the commencement of the lease term will be inserted at the time of said closing.

## SCHEDULE A

STAMFORD MOTORS . . . to . PIMPINELLA & GRASSO

All that certain piece, parcel or tract of land, with the buildings thereon, situated in the City of Stamford, County of Fairfield and State of Connecticut, bounded:

*South*  
*City*

NORTHERLY:	by land of Compass Realty Corp.;
EASTERLY:	by Guernsey Avenue;
SOUTHERLY, then EASTERLY, then NORTHERLY:	by land of The Visiting Nurse Association of Stamford, Inc., then
EASTERLY:	by land of The Visiting Nurse Association of Stamford, Inc., land of Raymond Fushion, et als, and land of Guernsey Realty Co., each in part; then
SOUTHERLY:	by land of The Salvation Army, Incorporated and land of Joseph P. Connolly, each in part; and
WESTERLY:	by South Street.

Said premises are to be conveyed subject also to:

1. Building line established for the easterly side of South Street by the City of Stamford as evidenced by instrument dated September 15, 1917, and recorded in the Stamford Land Records in Book 211 at Page 327.

2. The effect of the layout of street lines of South Street as evidenced by instrument dated October 13, 1927, and recorded in said land records in Book 340 at Page 98.

~~any exceptions to title which might become apparent upon~~  
an examination of the foreclosure proceedings in the case of The Stamford Trust Company vs. M. Elizabeth White Miller, et al. See Lis Pendens dated January 22, 1936, and recorded in said land records in Book 452 at Page 38; and Certificate of Foreclosure dated April 8, 1936, and recorded in said land records in Book 451 at Page 440.

4. Reservations and agreements set forth and/or referred to in a certain deed from Harvey Hoyt to Theodore V. Ketcham dated February 23, 1886, and recorded in said land records in Book 68 at Page 14.

5. Building line established by the City of Stamford for the westerly side of Guernsey Avenue as evidenced by instrument dated January 9, 1917, and recorded in said land records in Book 204 at Page 107.



STAMFORD MOTORS to PIMPINELLA & GRASSO  
Schedule A  
Page 2

6. Certain rights and easements granted by Stamford Motors, Incorporated, to The Hartford Electric Light Company, dated December 9, 1968 and recorded in said Land Records in Book 1150 at Page 428.

7. Any facts which might be disclosed by an inspection of the premises and an accurate, up-to-date survey thereof.

SCHEDULE B

THIS LEASE made the            day of            , 1972, by  
and between CLEANTE A. PIMPINELLA and RALPH M. GRASSO, both of  
Stamford, Connecticut, having their principal place of business  
at 111 Prospect Street, in the City of Stamford, County of Fair-  
field and State of Connecticut, hereinafter called the LANDLORD,  
and STAMFORD MOTORS, INC., a corporation organized and existing  
under the laws of the State of New York, having a place of  
business at 82 Washington Boulevard, in the City of Stamford,  
County of Fairfield and State of Connecticut, acting herein by  
Ronald A. Kelly, its President hereunto duly authorized, herein-  
after called the TENANT,

W I T N E S S E T H :

That the LANDLORD, in consideration of the rents, covenants,  
terms and conditions hereinafter contained on the part of the  
TENANT to be kept, paid and observed, has demised and leased  
and by these presents does demise and lease unto the TENANT all  
that certain lot of land with the buildings thereon, situated  
in said Stamford, described in Schedule A attached hereto,  
known as 82 Washington Boulevard, Stamford, Connecticut.

Said lease shall be for a term of one (1) year commencing  
*Aug.* , 1972, and terminating *Aug. 1* , 1973.  
This lease shall be upon the following terms and conditions,  
which the LANDLORD and the TENANT each for itself, its  
successors and assigns, hereby covenants, promises and agrees  
to keep and perform.



FIRST: The LANDLORD represents and warrants that it is the owner in fee of the land described in Schedule A.

SECOND: The TENANT shall pay as rent hereunder for said demised premises during the first year the annual sum of ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS, payable monthly, in advance, on the first day of each month, in installments of Eight Thousand, Three Hundred Thirty-three and 33/100 (\$8,333.33) Dollars. Any portion of the month to be prorated.

THIRD: The TENANT shall pay as additional rent, all real estate taxes and assessments levied by any governmental authority on the demised premises. The TENANT may contest by appropriate proceedings or in any other manner permitted by law at the TENANT'S expense, in the TENANT'S name and/or (whenever necessary) the LANDLORD'S name, any such taxes and assessments. The LANDLORD, without expense or liability to it, shall cooperate with the TENANT and execute any documents or pleadings required for such purpose. Such contest shall include appeals from any judgments, decrees or orders until a final determination shall be made by a court, or governmental department or authority having final jurisdiction in the matter. Any tax or assessment refund shall be the property of the TENANT to the extent to which it may be based upon a payment made by the TENANT. Nothing in this lease contained shall require or be construed to obligate the TENANT to pay any franchise, excise, corporate, estate, inheritance, succession, capital levy, transfer tax or occupancy tax of the LANDLORD or any income, profits or revenue tax upon

the income of the LANDLORD, or any other tax, assessment, charge or levy upon the rent reserved under this lease. The customary adjustments and apportionments of real estate taxes (customarily made with respect to a closing of title) shall be made between the LANDLORD and the TENANT as of the date when rent commences as provided in this lease and as of the date of the termination of this lease.

FOURTH: A. The TENANT, at its own cost and expense shall procure and maintain for the mutual benefit of the LANDLORD and the TENANT, general liability insurance against claims for bodily injury or death and property damage occurring upon the lease premises and the appurtenances thereto, to the extent of not less than Three Hundred Thousand (\$300,000.00) Dollars for bodily injury or death to any one person and One Million (\$1,000,000.00) Dollars for bodily injury or death to any number of persons arising out of one (1) accident and One Hundred Thousand (\$100,000.00) Dollars for property damage sustained in any one (1) accident.

B. The TENANT, at its own cost and expense, during the term of this lease shall keep insured the building against loss or damage by fire and such other risks as are from time to time customarily included in extended coverage endorsements attached to fire insurance policies in the State of Connecticut, in an amount not less than one hundred (100%) percent of the "full replacement cost" of the building. The term "full replacement cost" shall mean the actual replacement cost



(excluding foundation and excavation costs and the cost of underground flues, pipes and drains).

C. All insurance policies shall be in the name of the LANDLORD and the TENANT, but shall provide that all payments for replacement cost of the building shall be paid to the LANDLORD only. Copies of all insurance policies showing the interest of the LANDLORD shall be deposited with the LANDLORD. If at any time the TENANT shall neglect to effect the insurance required hereby, the LANDLORD may procure such insurance as the agent of the TENANT, and the amount of the premiums paid for such insurance by the LANDLORD shall become immediately due from the TENANT as additional rent.

FIFTH: In case of partial or total damage to, or destruction of the building on the leased premises, the LANDLORD with the proceeds of the insurance referred to in paragraph FOURTH B above shall promptly repair, restore or rebuild it as nearly as possible to the condition it was in immediately prior to such damage or destruction. The rent reserved under this lease shall abate, to the extent that the leased premises shall be untenable by reason of the damage or destruction, from the date of the fire or other cause to the date of completion of the repairs, restoration or rebuilding. If theretofore the TENANT shall have paid rent to the LANDLORD for the period during which it is abated, the LANDLORD shall forthwith repay to the TENANT the amount of the abated rent, or at the TENANT'S election, such amount shall be deducted from any subsequent installments of rent.

SIXTH: During the term hereof, the TENANT shall, at its own cost and expense, keep and maintain the walls of the building in which the demised premises are located, together with all structural portions of the building, such as supporting beams and columns, and roof, in good and safe condition, and in proper repair and make any structural repairs in connection therewith. The TENANT shall, at its own cost and expense, keep and maintain the interior of the demised premises in good and safe condition and in proper repair during the term hereof. The TENANT will keep the sidewalk in front of the demised premises free from litter, dirt, debris and obstructions and in a clean and sanitary condition. The TENANT further agrees that it will at all times comply with all ordinances, rules and regulations of all City and State Departments or Bureaus relating to and made necessary by reason of the particular use of the demised premises by the TENANT. Anything herein to the contrary notwithstanding, the TENANT shall at its expense operate and maintain the heating and air-conditioning equipment installed in the building.

SEVENTH: The TENANT shall protect, save and keep the LANDLORD harmless and indemnified against and from any loss, cost, damage or expense, arising out of or from any accident or other occurrence on the leased premises causing injury or damage to any person or property, due or claimed to be due to any act or neglect of the TENANT, its agents or employees, or failure to comply with and perform any of the requirements and



provisions of this lease on its part to be performed, or due to any use made by the TENANT on the leased premises; and the TENANT shall, at its own cost and expense, defend and indemnify the LANDLORD against all claims based upon death, damage, or injury to persons or damage to property while in, on or about the leased premises, during the entire term of this lease, provided, however, that this agreement of indemnity shall not apply to any claim arising out of the negligence, performance or nonperformance by the LANDLORD of the terms, covenants and conditions of this lease.

The provisions of this Paragraph shall be inapplicable and of no effect if the TENANT shall have furnished to the LANDLORD the policies of insurance required under this lease or satisfactory certificates of insurance thereof.

EIGHTH: The TENANT shall have the right to use and occupy the demised premises as an automobile agency.

NINTH: The TENANT, at its own cost and expense, shall comply with all laws and ordinances and the orders, rules, regulations and requirements of any governmental agency which may be applicable to the leased premises and the use thereof by the TENANT. Any alterations, improvements or additions required to be made by such agency in order to comply with said regulations and requirements shall be the obligation of the TENANT. The TENANT may, at its own cost and expense, in its name and/or (whenever necessary) the LANDLORD'S name contest, in any manner permitted by law, the validity or the enforcement of any such

law, ordinance, order, rule or regulation and may defer compliance therewith pending such contest. Such contest shall include appeals from any judgment, decrees or orders until a final determination shall be made by court or governmental department or authority having final jurisdiction in the matter. The LANDLORD, without expense or liability to it, shall cooperate with the TENANT and execute or cause to be executed any documents or pleadings required for such purposes.

TENTH: If any mechanics liens shall have been filed against the leased premises based upon any act of the TENANT or of anyone claiming through the TENANT, the TENANT after thirty (30) days' notice thereof, shall forthwith take such action by bonding, deposit, payment or otherwise as will remove or satisfy such lien. If any mechanics liens shall have been filed against the leased premises based upon any act of the LANDLORD or of anyone claiming through the LANDLORD, the LANDLORD after thirty (30) days' notice thereof, shall forthwith take such action by bonding, deposit, payment or otherwise as will remove or satisfy such lien.

ELEVENTH: If the TENANT shall default in the performance of any of the terms, covenants and conditions of this lease, the LANDLORD, after thirty (30) days' notice to the TENANT specifying such default, as provided in Article FOURTEENTH hereof, may perform the same for the account and at the expense (including reasonable attorneys' fees) of the TENANT and the amount of any payments made or other expenses incurred by the



LANDLORD for such purpose, with interest thereon at the rate of six (6%) percent per annum, shall be deemed additional rental and forthwith shall be repaid by the TENANT to the LANDLORD or at the LANDLORD'S election, may be added to any subsequent installment of rent due and payable under this lease. The provisions of this Paragraph shall be inapplicable if, prior to the elapse such period of notice by the LANDLORD, the TENANT shall have cured such default, or shall have commenced and is diligently proceeding to cure it.

TWELFTH: If the demised premises shall be taken by or under any Federal, State, County or Municipal authority for any public or quasi-public use or improvement, this lease shall cease and terminate as of the date of such taking. If only a part of the demised premises shall be so taken, the rent shall abate proportionately and, furthermore, if such taking materially interferes with the TENANT'S use or occupancy of the demised premises, or any substantial portion thereof, the TENANT shall have the right to terminate this lease upon giving twenty (20) days' written notice thereof to the LANDLORD. The TENANT shall have the right to make its separate claim against the condemnation authority and to receive any award or compensation on such claim for trade fixtures, loss of business, the value of the term of the lease over and above the rental value, or other damage which it may sustain in the event of any condemnation.

THIRTEENTH: The LANDLORD covenants that if the TENANT shall perform all of the covenants of this lease on the part of

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the TENANT to be performed, the TENANT shall and may peaceably and quietly have, hold and enjoy the demised premises for the term aforesaid, including any extended term.

FOURTEENTH: A. This lease shall terminate upon the happening of any one of the following contingencies, and the TENANT shall then and thereupon quit and surrender the demised premises to the LANDLORD:

(1) The TENANT shall file in any Court, a petition in bankruptcy or insolvency or for reorganization (other than a reorganization not involving an insolvency of the TENANT), or arrangement, or for the appointment of a receiver or trustee of all or a portion of the TENANT'S property, or

(2) An involuntary petition of the kind referred to in Subdivision (1) of this Article, shall be filed against the TENANT, and such petition shall not be vacated or withdrawn sixty (60) days after the date of the filing thereof, or

(3) If the TENANT shall make an assignment for the benefit of creditors, or

(4) If the TENANT shall be adjudicated a bankrupt by any Court.

B. The parties understand that the purpose of this lease agreement is to allow Stamford Motors, Inc. to continue in operation during the construction of new facilities on Magee Avenue in Stamford. Therefore, anything to the contrary notwithstanding, TENANT may terminate this lease and vacate the



premises at such time, during the term hereof, when the new facility is completed.

C. In the event that the TENANT shall default in the payment of any rental obligation provided hereunder, and such default shall continue for a period of fifteen (15) days after notice that the same has become due and payable, or if any default shall be made in the payment of insurance premiums, or any other items deemed to be additional rent, for a period of fifteen (15) days after notice that the same has become due and payable, or if the TENANT shall be in default in the performance of any of the other covenants, terms and conditions in this lease, and such default shall have continued for a period of thirty (30) days after notice by the LANDLORD to the TENANT specifying the default and requiring it to be remedied, then, and in any of such events, this lease shall thereupon, by virtue of this express stipulation, at the option of the LANDLORD, expire and terminate, and the LANDLORD may, at any time thereafter, reenter said premises and the same have and possess as of its former estate, and without such reentry may recover possession thereof in the manner prescribed by the statute relating to summary process, it being understood that no demand for rent or additional rent, except as herein provided, and no reentry for condition broken, as at common law, shall be necessary to enable the LANDLORD to recover such possession pursuant to said statute relating to summary process, but that all rights or any such demand or any such reentry, is hereby expressly waived by the TENANT.

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For the purpose of determining whether the TENANT had defaulted in curing any of the covenants, terms and conditions of this lease pursuant to the thirty (30) days' notice above provided, it is agreed that if such default cannot be remedied within such period of thirty (30) days, it shall not be considered a default if the TENANT shall have commenced the remedying thereof within such period of time and shall proceed with due diligence to remedy such default. The failure of the TENANT to remedy such default within a reasonable time required for such performance shall thereupon give the LANDLORD the option to terminate the lease as above provided. In the event of any such termination, the LANDLORD will use its best efforts to relet promptly the demised premises upon such favorable terms as possible.

FIFTEENTH: The TENANT'S trade fixtures, as defined in this lease, shall remain the property of the TENANT and may be (although they need not be) removed in whole or in part by the TENANT at any time and from time to time during the term of this lease. The TENANT, at its own expense, shall repair any damage to the leased premises caused by such removal.

The words, "TENANT'S trade fixtures", or words of similar import as used in this lease, shall include, but not be limited to, all equipment, <sup>and car lighting fixtures</sup> signs, partitions, furniture, furnishings, floor covering, fixtures, air conditioners and other personal property installed or placed in or on the leased premises by the TENANT in connection with the operation of its business thereat, whether or not permanently attached to the realty.



SIXTEENTH: The LANDLORD shall not be liable for damage or injury to person or property caused by or resulting from steam, electricity, gas, water, rain, ice or snow, which may leak into, issue or flow from any part of said building, or from the pipes or plumbing works of same, or from any place or quarter, or from any damage or injury resulting or arising from any other place or quarter or from any damage or injury resulting or arising from any other cause or happening whatsoever, unless said damage or injury shall be caused by or due to the negligence of the LANDLORD.

SEVENTEENTH: The LANDLORD shall have the right to enter the demised premises at all reasonable times for the purpose of inspecting them, exhibiting them for sale and making repairs, provided that the LANDLORD does not unreasonably interfere with the TENANT'S use and enjoyment.

EIGHTEENTH: The TENANT agrees to furnish its own heat and pay for all utilities including but not limited to water, gas and electricity used and consumed on said demised premises and including the cost of operating any air conditioning units during the term of this lease.

NINETEENTH: The TENANT shall have the right at any time and from time to time during the term of this lease to construct and place in the building on the demised premises, partitions and interior walls, and to alter and remodel the building, at its own expense, provided that no alterations or remodeling shall damage, weaken or destroy the walls, roof or structural support of said building, and provided that such alterations and

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improvements comply with all laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the premises.

TWENTIETH: The TENANT shall have a right to erect and place signs, notices and advertisements of any kind on or over the leased premises and on the walls or roofs of any buildings on said premises.

TWENTY-FIRST: Upon the termination of this lease, the TENANT shall peaceably and quietly surrender the leased premises to the LANDLORD in good order and condition, reasonable wear and tear and depreciation arising from lapse of time, or damage by fire, the elements, unavoidable casualty or circumstances beyond the control of the TENANT, excepted. However, the TENANT shall not be obligated to restore the premises to their original condition prior to any installation, alteration or change which may have been made by the TENANT.

TWENTY-SECOND: Any notice required or permitted to be given hereunder shall be duly given, unless otherwise specifically provided, when deposited for mailing by registered mail, addressed to the LANDLORD at 111 Prospect Street, Stamford, Connecticut, and to the TENANT at 82 Washington Boulevard, Stamford, Connecticut. Such address may be changed by either party by notice duly given.

TWENTY-THIRD: The specific remedies to which the LANDLORD or the TENANT may resort under the terms of this lease are cumulative, and are not intended to be exclusive of any other



remedies or means of redress to which they may be lawfully entitled in case of any breach or threatened breach by either of them of any provision of this lease. The failure of the LANDLORD or the TENANT to insist in any one or more cases upon the strict performance of any of the terms, covenants and conditions of this lease, or to exercise any right or remedy contained herein, shall not be construed as a waiver or relinquishment for the future of such terms, covenants and conditions. A receipt by the LANDLORD of rent with knowledge of the breach of any of such terms, covenants and conditions shall not be deemed a waiver of such breach, and no waiver, change or modification or discharge by either party thereto of any provision of this lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by both the LANDLORD and the TENANT. The acceptance of any check or payment bearing or accompanied by an endorsement, legend or statement shall not, of itself, constitute any such waiver, change, modification or discharge. No surrender of the demised premises by the TENANT (except as herein provided) shall be valid, unless consented to in writing by the LANDLORD. In addition to the other remedies in this lease provided, the LANDLORD and the TENANT shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation of any of the terms, covenants and conditions of this lease, or to a decree compelling performance of any of such terms, covenants and conditions.

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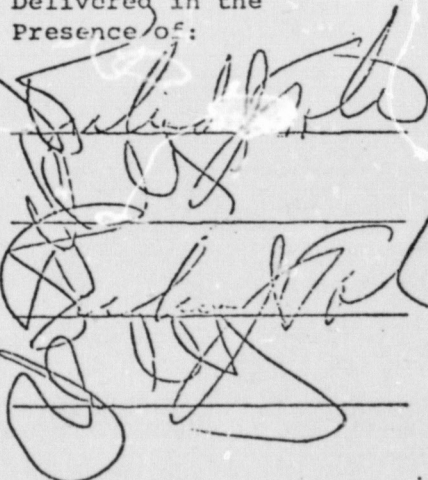
TWENTY-FOURTH: A. Provided that the TENANT is not

then in default, and if the TENANT'S new facility at Magee Avenue, in said Stamford is not ready for occupancy TENANT shall have the option of renewing this lease for an additional term not to exceed one (1) year from \_\_\_\_\_ on the same terms and conditions as herein contained, except that the annual rental shall be at the rate of \$80,000.00, payable in equal monthly installments of \$6,666.66 ( any portion of the month is to be prorated), by sending to the LANDLORD written notice by registered or certified mail postmarked on or before \_\_\_\_\_

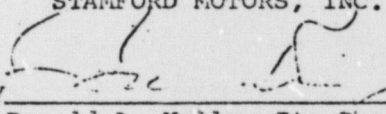
TWENTY-FIFTH: This lease shall inure to the benefit of and be binding upon the LANDLORD and the TENANT and their respective successors and assigns.

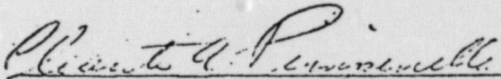
IN WITNESS WHEREOF, the parties hereby have caused these presents to be signed by their proper corporate officers, and their corporate seals to be hereunto affixed, the day and year first above written.

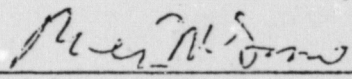
Signed, Sealed and  
Delivered in the  
Presence of:



STAMFORD MOTORS, INC.

By   
Ronald A. Kelly, Its President

  
Cleante A. Pimpinella

  
Ralph M. Grasso

MISS & LOCKWOOD  
Attorneys at Law



STATE OF CONNECTICUT)

: ss. Stamford

June , 1972

COUNTY OF FAIRFIELD )

Personally appeared, STAMFORD MOTORS, INC., by Ronald A. Kelly, Its President, signer and sealer of the foregoing instrument who acknowledged the same to be his free act and deed and the free act and deed of said STAMFORD MOTORS, INC., before me.

---

Notary Public

STATE OF CONNECTICUT)

: ss. Stamford

June , 1972

COUNTY OF FAIRFIELD )

Personally appeared LEANTE A. PIMPINELLA and RALPH M. GRASSO, signers and sealers of the foregoing instrument who acknowledged the same to be their free act and deed, before me.

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Notary Public

NCS & LOCKWOOD  
Attorneys at Law

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PURCHASE AGREEMENT

THIS AGREEMENT, dated <sup>TH</sup>24 June, 1972, (herein called this Agreement), entered into by CLEANTE A. PIMPINELLA and RALPH M. GRASSO ~~xxhixwife~~, of 111 Prospect Street, Stamford, Connecticut (herein collectively called STAMFORD MOTORS, INC., New York Seller), and ~~FORD CLEANTE PIMPINELLA~~, a ~~Delaware~~ corporation, 717 Washington Boulevard, Stamford, Connecticut, with offices at ~~200 American Road~~ ~~(now street)~~ ~~xxhixwife~~ ~~xxhixwife~~ or any assignee or assignees (herein called Purchaser).

W I T N E S S E T H:

1. Seller shall sell and convey and Purchaser shall purchase, upon and subject to the terms, conditions and provisions hereinafter set forth, the following property (herein sometimes collectively called the Premises):

(a) The land in the City of Stamford, County of Fairfield and State of Connecticut, described in Exhibit 1 hereto, together with all strips and gores of land adjoining the land described in said Exhibit 1;

(b) All buildings, structures and improvements (if any) located or erected on such land as of the date of this Agreement;

(c) All right, title and interest of Seller in and to (i) all public or private streets, roads, avenues, alleys or passageways, opened or proposed, in front of or abutting the land described in Exhibit 1, and (ii) any award made or to be made and any unpaid award for damage to such land, or any part thereof, by reason of any change of grade of any such street, road, avenue, alley or passageway;

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(d) All fixtures, equipment and articles of personal property (if any) installed upon or located in and used or useful in the maintenance and operation of such buildings, structures and improvements, and including, but without limitation, any property specifically listed in Exhibit 1; and

(d) All and singular the estates, rights, privileges, easements and appurtenances belonging or in anywise appertaining to such land, buildings and improvements, including, but without limitation, any security deposits and other property securing the obligations of any tenant of the Premises, or any part thereof, and any advance rentals paid to Seller by any such tenant.

During the period prior to the Closing Date (hereinafter defined in Section 11 hereof), Purchaser shall have the right of access to the Premises for the purpose of conducting such examination of the Premises, making such measurements thereof and making such test borings therein as Purchaser desires, provided that if this Agreement shall not be closed, Purchaser shall restore the Premises to their original condition as of the date of this Agreement to the extent of any changes made thereto by Purchaser.

2. Purchase Price. The Purchase Price (herein called the Purchase Price) for the Premises shall be <sup>1,042,138</sup> \$868,538.00 payable \$-----  
~~at the time of execution of this Agreement, the receipt whereof is hereby~~  
~~acknowledged by Seller, and \$53,538.00~~ <sup>421,138.00</sup> at the closing of the sale, by  
check, and <sup>530,000.00</sup> \$815,000.00 by the ~~cash~~ <sup>cash</sup> of property at Washington  
Boulevard as set forth in an Agreement dated June 26, 1972.  
Seller hereby waives formal tender of the Purchase Price.

~~That portion of the Purchase Price paid on the execution hereof~~  
~~shall be delivered in escrow to~~ 7-60  
~~be held and applied pursuant to the terms of an escrow agreement in the~~

~~form annexed hereto as Exhibit 2.~~

That portion of the Purchase Price paid at the execution of this Agreement is hereby made a lien upon the Premises. If, for any reason, Purchaser should fail to complete the purchase contemplated hereby, and if, under such circumstances, under the terms of this Agreement, Purchaser is not entitled to the return of any portion of the Purchase Price which it shall have paid hereunder, Seller and Purchaser agree that that portion of the Purchase Price paid hereunder shall constitute the full, liquidated damages to which Seller shall be entitled, and Purchaser shall have no further liability or obligation hereunder.

3. Title and Deed. On the Closing Date, Seller shall sell and convey to Purchaser good and marketable title to the Premises, subject to no liens, charges, claims, actions, encumbrances or title exceptions of any kind whatsoever other than as set forth in Exhibit 3 hereof, by general warranty deed, in proper form for recording. Title to the Premises shall be insured as aforesaid by the title company referred to in Section 7 hereof. Purchaser may obtain, at the expense of <sup>Purchaser</sup> Seller, an up-to-date survey of the Premises and furnish Seller with a property description prepared therefrom, in which event Seller shall describe the Premises in such deed in accordance with such survey description. The deed for conveyance of the Premises shall be prepared by Seller and submitted to Purchaser for approval not less than 10 days prior to the Closing Date. Seller shall pay for the Connecticut Conveyance Tax ~~and deliver (or cause to be delivered) to Purchaser or its title insurer~~ ~~U.S. Internal Revenue stamps~~ in the proper amount to reflect the Purchase Price.



4. Taxes and Assessments. Ad valorem real property taxes imposed upon the Premises (herein called Applicable Taxes) shall be remitted to the collecting authorities by Seller if due and payable on or before the Closing Date and by Purchaser if due and payable thereafter.

4.1. Applicable Taxes for the tax period in which the closing occurs (herein called Proration Period) shall be apportioned between Seller and Purchaser on, and as of, the Closing Date with Purchaser bearing only the expense of that proportion of such Applicable Taxes that the number of days in the Proration Period following, and including the Closing Date, bears to the total number of days in such Period. Notwithstanding customary or usual practice, apportionable Applicable Taxes are considered to be assessed for the Proration Period, which is conclusively deemed to be, for all purposes of this Section 4, the fiscal year July 1, to June 30 in which occurs the tax status day (sometimes referred to as the "tax day," "assessment day," "date of finality", etc.) used in the determination of the taxes to be apportioned. Applicable taxes pertaining to the tax period prior to the Proration Period, to the extent not yet due and payable, shall be borne by Seller by remitting same to Purchaser at closing.

4.2. If the amounts of Applicable Taxes to be borne by the parties hereto, as above provided, are not ascertainable on the Closing Date, the total of such Taxes paid for the next preceding tax period shall be used if the condition of the Premises is substantially unchanged; provided, however, that if the actual amounts of Applicable Taxes subsequently paid by Purchaser differ in total from the comparable amounts used at the closing by more than one hundred dollars, Purchaser shall so notify Seller. An amended closing statement may be prepared by either

party using actual tax amounts and the resulting adjustment shall be remitted by the liable party within thirty days from receipt of said amended statement.

4.3. As used herein, "ad valorem real property taxes" shall include "General Assessments," which are defined, for purposes of this clause, as charges made for specific benefits which charges are spread against all real property in a legally constituted taxing unit in the proportion that the assessed value of each parcel of property subject to such General Assessment bears to the total assessed value of real (or real and personal) property within said taxing unit.

4.4. Seller shall bear the expense of the full amount of all special assessments upon the Premises which have been confirmed on or prior to the date of this Agreement, or which are due and payable either in full on or prior to said date, or by installments, the first of which is due and payable, or has been paid, on or before the date of this Agreement. Seller warrants that all such assessments will be fully paid and discharged prior to the Closing Date, or that the full amount thereof shall be tendered to Purchaser at the closing. All other special assessments upon the Premises shall be borne and remitted by Purchaser.

4.5. Ad valorem taxes on personal property located on the Premises shall be remitted, and borne in their entirety, by the owner of the personal property taxed. This Section 4 shall survive the delivery of the deed.

5. Transfer and Sales Taxes. The expense and cost of all Federal, state and local documentary stamp, transfer, sales and other taxes, if any, relating to the sale and conveyance of the Premises, and



any sales tax relating to the sale and transfer of any personal property which is the subject matter of this sale, shall be borne and remitted by Seller on the Closing Date. Seller and Purchaser agree to complete, execute and verify any tax return or tax returns required to be filled in connection with any of the foregoing taxes.

6. Sewer and Water Prorations, etc. Water and sewer charges and lease rentals, if any, shall be prorated between Seller and Purchaser as of the day next preceding the Closing Date according to the custom and usage prevailing in the community where the Premises are located.

7. Title Insurance. Promptly after the execution of this Agreement, Purchaser, at <sup>Purchaser's</sup> ~~Seller's~~ expense, shall order a title insurance binder or commitment from a title insurance company authorized to do business in the State where the Premises are located, pursuant to which such title company shall agree to issue to Purchaser an owner's title insurance policy, in the standard form approved by the American Land Title Association, in the amount of the Purchase Price, and insuring a good and marketable title to the Premises as contemplated by Section 3 hereof. Purchaser shall request such title company to submit a copy of such binder or commitment to Seller as soon as the same is prepared. ~~Seller's obligation to bear the cost of such binder or commitment and such title policy shall survive the Closing Date.~~

If such title binder or commitment discloses defects in title not expressly consented to herein, Seller shall remedy such defects in title as are susceptible of being remedied, and the Closing Date shall be delayed for such period (not exceeding 60 days) as may be reasonably required to remedy such defects. If Seller does not so remedy such defects

in title, Purchaser shall have the option of (a) completing this purchase and accepting such title as Seller is able to convey without reduction of the Purchase Price, unless such defects are encumbrances or liens for an ascertainable amount, in which case that amount may be deducted from the Purchase Price, or (b) of declaring this Agreement null and void, in which latter event all monies paid by Purchaser to Seller in connection with this Agreement shall be refunded to Purchaser. Upon the making of such refund this Agreement shall be deemed cancelled and neither party shall have any further claim against the other by reason hereof; provided, however, the exercise by Purchaser of the option contained in clause (b) above shall not constitute a waiver by Purchaser or a willful default or breach by Seller.

8. Conditions Precedent. Purchaser's obligation to purchase the Premises and to pay the Purchase Price therefor is subject, without limitation, to the following conditions precedent being in effect or complied with on the Closing Date, and Seller covenants that Seller will use its best efforts to cause such conditions to be in effect or complied with on such date.

(a) There shall be no action, proceeding or investigation pending against Seller which would interfere with Seller's ability to enter into this Agreement and to carry out its obligations hereunder;

(b) All streets, roads or avenues abutting the land included in the Premises shall be legally opened and dedicated except as otherwise provided herein;

(c) There shall be no uncured violations of Federal, state or municipal laws, ordinances or requirements outstanding respecting the Premises;



(d) If the Premises are improved, there shall have been issued and be in full force and effect a valid and subsisting certificate of occupancy authorizing the Premises to be used and occupied for all the purposes referred to in Subsection (e) of this Section; and Seller shall have delivered a true copy thereof to Purchaser;

(e) There shall be no prohibitions of any kind or character, whether in zoning ordinances, covenants and restrictions of record, in laws, ordinances or regulations of any governmental authority having jurisdiction of the Premises, or otherwise, which would prevent the development, use and occupancy of the Premises, without restriction as to the number of persons employed, for the sale, storage, display, repair and service of all types of new and used motor vehicles (including, but without limitation, the outdoor sale, storage and display, without screening, of new and used motor vehicles, the performance indoors of body and fender repair work and painting, and engine, chassis and transmission repair work), the sale of such merchandise as is sold ordinarily by an automobile and/or truck dealer and other purposes incidental to an automobile and/or truck sales and service establishment;

(f) The title insurance binder or commitment referred to in Section 7 hereof, as redated to the Closing Date, shall disclose good and marketable title to the Premises to be vested in Seller free and clear of all liens, charges, claims, actions, encumbrances and title exceptions of any kind whatsoever, save and except such as are set forth in Exhibit 2 hereto or are to be satisfied by Seller out of the balance of the Purchase Price on the Closing Date, and shall provide affirmative insurance that all streets and highways abutting the land included in the Premises are legally opened and dedicated streets and highways, respectively, and that

the owner of such land shall have the ordinary rights of an abutting owner for access to such streets and highways;

(g) Seller shall have executed, acknowledged and delivered to Purchaser the deed in accordance with Section 3 hereof, and, if requested by Purchaser, a bill of sale selling and transferring all fixtures, chattels and articles of personal property included in the Premises. Such bill of sale shall contain a warranty of good title;

Seller represents that

(h) The premises ~~shall be~~ <sup>are</sup> free of all tenancies or other occupancies <sup>other than month-to-month tenants</sup> and in substantially the same physical condition as at the date of this Agreement, except for reasonable wear and tear or as may be otherwise provided in this Agreement; rents will be apportioned at closing and security deposits, if any, transferred to Purchaser.

~~(i) The reasoning obtained by Seller or Purchaser pursuant to--~~  
The present zoning Section ~~12~~ <sup>19</sup> hereof shall be in full force and effect and there shall be no petition, action or proceeding pending to revoke, set aside or challenge the validity thereof;

(j) Purchaser shall have received all such instruments and documents as Purchaser's counsel shall reasonably require (i) to establish the power and authority of Seller to enter into this ~~Agreement~~ <sup>AGREEMENT</sup> and to carry out Seller's obligations hereunder, including, when applicable in Purchaser's reasonable judgment, certified copies of directors' and stockholders' resolutions, and (ii) to eliminate any title exceptions in the title commitment or binder referred to in Section 7 hereof respecting rights of parties in possession of the Premises or claims of laborers or materialmen for labor, services or materials performed or delivered to the Premises;

(k) No fire or other casualty and/or condemnation respecting the Premises, or any part thereof, shall have occurred, and no such condemnation shall be pending or threatened;



(l) Seller shall have complied with all its other obligations and agreements under this Agreement.

(m) If the Premises consist of more than one piece, parcel or tract of land, all such pieces, parcels or tracts shall be contiguous all along their respective common boundary lines so as to form one completely contained piece, parcel or tract of land; and Purchaser's title insurer shall be willing to insure contiguity of such pieces, parcels or tracts of land as aforesaid;

~~(n) If there are any buildings and improvements included in the Premises, Purchaser shall have received an engineering report on each building and improvements and any elevators, air conditioning, heating and other apparatus and equipment installed therein or attached thereto which shows that such buildings, improvements, apparatus and equipment are structurally sound and in good order and operating condition;~~

~~(c) Purchaser shall have received a favorable opinion of an architect, engineer or attorney selected and paid by Purchaser to the effect that the Premises may be developed, used and occupied for the purposes and upon the terms and conditions set forth in Subparagraph (c) of this Section 8.~~

(p) If Purchaser shall have obtained a survey of the Premises, such survey shall not disclose any (i) rights-of-way or easements on the Premises which will interfere with the proposed development, use and occupancy of the Premises by Purchaser, (ii) material encroachments or projections on the Premises by buildings or other improvements on adjoining property or (iii) violations of building restriction lines, applicable use or other restrictions contained in prior conveyances or in any zoning ordinances or regulations affecting the Premises.

(q) ~~Purchaser shall have received a favorable opinion of an~~  
~~engineering selected and paid by Purchaser, to the effect that the condition~~  
~~and characteristics of the soil upon the Premises is such that the improve-~~  
~~ments which Purchaser plans to install can be constructed with conventional~~  
~~trench footings upon supporting soil capable of bearing a sustained pressure~~  
~~of not less than 3,000 pounds per square foot.~~

(r) Purchaser shall have obtained all such governmental approvals, permits and licenses, including, but without limitation, subdivision approval <sup>Planning Board</sup> and site approval by the Zoning Board of Appeals, ~~by the Stamford Zoning Board of Appeals~~, and an automobile dealer-repair license from the State of Connecticut's Commissioner of Motor Vehicles, as may be necessary to enable Purchaser to purchase the Premises, and to develop, use and occupy them for the purposes set forth in subsection (e) of this Section 8, and all such approvals, permits and licenses shall be final and not subject to appeal. (Seller shall cooperate with Purchaser in seeking such approvals, and Seller shall secure the cooperation and execution by the owner of the premises, as to any application to be made to any governmental body that must be signed by such owner.)


If any one or more of the foregoing conditions precedent shall not be in effect or complied with on the Closing Date, Purchaser may cancel this Agreement and all obligations of Purchaser hereunder, whereupon the sole obligation of Seller shall be to refund all monies paid by Purchaser to Seller in connection with this Agreement and any extension hereof, or Purchaser may waive compliance with any one or more of the foregoing conditions precedent other than those which by their nature involve performance, in any particular, after the Closing Date, or which cannot be ascertained to have been fully performed until after the Closing Date, and



proceed to consummate the purchase. Upon the making of such refund, this Agreement shall wholly cease and terminate and neither party shall have any further claim against the other by reason hereof (except for any willful default or breach by Seller), and the lien, if any, of Purchaser against the Premises shall wholly cease.

9. Fire or other Casualty and Condemnation. If, prior to the Closing Date, all or any part of the Premises shall be destroyed or damaged by fire or any other casualty or shall be condemned by governmental or other lawful authority, Purchaser shall have no liability for any such destruction or damage and shall have the option;

(a) of completing the purchase, in which event all of the insurance proceeds or condemnation proceeds, as the case may be, shall be payable to Purchaser, or if such proceeds are not then available, Seller shall assign



all claims therefor to Purchaser, or

(b) of cancelling this Agreement and all obligations of Purchaser hereunder, whereupon Purchaser shall be entitled to the refund referred to in Section 7 hereof. If the Premises are improved, Seller agrees, at its cost and expense, to keep the Premises insured against fire and the usual extended coverage perils from the date of this Agreement until the Closing Date in an amount equal to \$100,000.00 and to deliver evidence of such insurance to Purchaser upon the execution and delivery of this Agreement.

10. Violations. Seller represents and warrants that as of the date of this Agreement, there are no uncured violations of laws, ordinances, orders or regulations of any governmental authority having jurisdiction of the Premises (with respect to which violations notice has been given to Seller), requiring any work, repairs, construction, alterations or violations on or in connection with the Premises that have not been complied with and paid for. Seller covenants that any violations of such laws, ordinances, orders or regulations affecting the Premises as of the Closing Date shall be cured by Seller; and, in that connection, Purchaser may elect (a) to close title to the Premises prior to such violations being cured, Seller's obligation to cure to survive the Closing Date, or (b) to adjourn the Closing Date for a period not to exceed 30 days, if, in Purchaser's reasonable opinion, such violations may with reasonable expectations be cured within 30 days. In the event Purchaser elects the alternative in clause (b) above, then Seller shall use its best efforts to cure such violations within such 30-day period. If, after the expiration of such 30-day period, such violations shall still not be completely cured, Purchaser may elect (c) to close title to the Premises prior to such violations being



cured, Seller's obligation to cure to survive the Closing Date, or

(d) to terminate this Agreement with the same effect and results as provided in Section 8 hereof.

11. Closing Date. The closing of the transactions contemplated hereby shall take place at the office of Pioneer National Title Insurance Company on August 1, 1972, provided all approvals required for a new and used car dealership as set forth in paragraph 19 of this Agreement shall have been secured by Purchaser herein and the appeal period has expired. In the event that the site plan approval and the statutory appeal period has not expired by August 1, 1972, then the closing of the transaction shall take place on the 16th day after the site plan approval by the Zoning Board of Appeals has been published and provided, further, such site plan approval has not been appealed. It being the intent of the parties hereto that this Agreement shall remain in full force and effect until such time as a hearing has been had on the site plan and a decision rendered by the Zoning Board of Appeals.

any statutory period during which an appeal could be taken from the approval, provided the public hearing before the Zoning Board of Appeals has taken place within said sixty (60) day period. ~~closing shall be five business days after a decision affirming the rezoning has become final. Such time and date for the closing of title is herein called the Closing Date.~~

12. Survival. All obligations of Seller which by their nature involve performance, in any particular, after the Closing Date, or which cannot be ascertained to have been fully performed until after the Closing Date, shall survive the Closing Date.

13. Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be mailed by certified or registered air mail, postage prepaid, addressed as follows:

If to Seller:

Cleante A. Pimpinella and  
Ralph M. Grasso  
111 Prospect Street  
Stamford, Connecticut

**If to Purchaser:**

Stamford Motors, Inc.  
717 Washington Boulevard  
Stamford, Connecticut  
Attention: Ronald A. Kelly

Any notice by certified or registered mail shall be deemed to have been given on the date of certification or registration thereof.

14. Brokerage. Seller shall pay the fee or commission of Alfred H. Barrett Real Estate, 10 River St., / (herein called the Stamford, Conn. Broker) for bringing about the sale contemplated by this Agreement in accordance with the agreement between Seller and the Broker. If any person other than the Broker shall assert a claim to a fee, commission or other compensation on account of alleged employment as a broker or finder or for performance of services as a broker or finder in connection with this Agreement, then Seller (a) shall indemnify and hold harmless Purchaser against and from any such claim and all costs, expenses, and liabilities incurred in connection with such claim or any action or proceeding brought thereon (including, but without limitation, counsel and witness fees in defending against such claim), and (b) shall satisfy promptly any settlement or judgment arising from any such claim or any action or proceeding brought thereon.

15. Entire Agreement. This Agreement contains the entire agreement between Seller and Purchaser, and there are no other terms, conditions, promises, understandings, statements or representations, express or implied, concerning the sale contemplated by this Agreement.

16. Successors. This Agreement shall inure to the benefit of and bind the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.



17. Headings. The headings to the Sections hereof have been inserted for convenience of reference only and shall in no way modify or restrict any provisions hereof or be used to construe any of such provisions.

18. Governing Law. This Agreement shall be governed by the laws of the State where the Premises are located.

Purchaser's obtain New Car Dealer Permit

19. Seller's Obligation to Rezone, etc. If there are prohibitions of any kind or character in zoning ordinances or in other laws, ordinances or regulations of any governmental authority having jurisdiction of the Premises which would prevent or limit the development, use and occupancy of the Premises for the sale, storage, display, repair and service of all types of new and used motor vehicles (including, but without limitation, outdoor sales, storage and display, without screening, of new and used motor vehicles and the performance indoors of body and fender repair work, and painting, and engine, chassis and transmission repair work), the sale of merchandise as is sold ordinarily by an automobile and/or truck dealer and other purposes incidental to an automobile Purchaser and/or truck sales and service establishment, ~~Seller~~ shall promptly make application to the appropriate governmental board, commission or other authority for a rezoning of the Premises, so that the Premises may be so developed, used and occupied by Purchaser. All costs and expenses incident to such application shall be borne in their entirety by ~~Seller~~ Purchaser. Purchaser ~~Seller~~ shall prosecute such application with diligence and in good faith and shall keep ~~Purchaser~~ Seller advised of the progress thereof and shall keep ~~Purchaser advised of the progress thereof~~ and shall send copies of all applications and other communications with respect thereto to Purchaser. Seller

If Purchaser, after having made such application to the appropriate governmental board, commission or other authority having jurisdiction, as aforesaid, shall not have obtained the necessary site approval as provided herein, Purchaser may, by giving written notice to Seller, elect to:

(a) cancel this Agreement and all its obligations hereunder, whereupon Purchaser shall be entitled to the refund of all moneys paid by Purchaser to Seller in connection with this Agreement, or

(b) complete this purchase without reduction of the Purchase Price, except as stated in Section 7.

20. Opinion of Counsel. Seller shall deliver to Purchaser on the execution and delivery of this Agreement an opinion of counsel stating:

(a) that this Agreement is a valid and binding contract enforceable against Seller in accordance with its terms; and

(b) if Seller is a fiduciary or a person acting in a representative capacity, that Seller has all necessary power and authority to execute this Agreement, and to carry out all obligations of Seller hereunder.

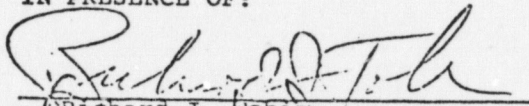
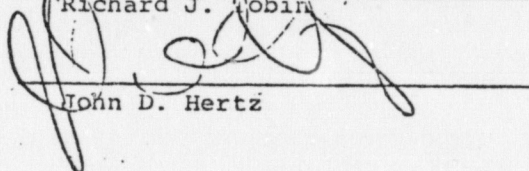
21. Simultaneous Closings. The parties hereto have entered into an ~~Exchange~~ <sup>Copy attached hereto as exhibit II</sup> and Lease--Back Agreement dated June 26, 1972, involving ~~contiguous to the property~~ property owned by the Purchaser herein at 817 Washington Boulevard, Stamford, Connecticut, which is to be conveyed to the Sellers herein, as part of the consideration for this transaction, as set forth in paragraph 2 of this Agreement. Also, the Sellers herein are to enter into a Purchase Agreement with Ford Leasing Development Company involving property described in this Agreement. The obligation of Purchaser to close title to the within described premises and to pay the purchase

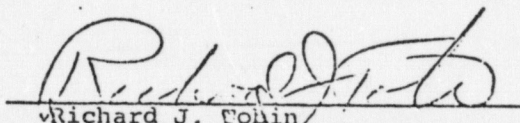



price as set forth herein shall be subject to the condition precedent that Seller accept title to the property at 817 Washington Boulevard, Stamford, Connecticut, for the consideration of <sup>\$538,600.00</sup> ~~\$815,000.00~~ and further that title to the adjacent property shall be conveyed by Seller to Ford Leasing Development Company in accordance with the terms of the Agreement between the Sellers herein and Ford Leasing Development Company.

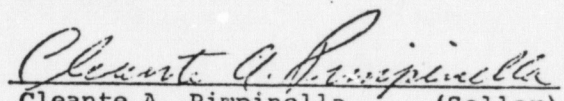
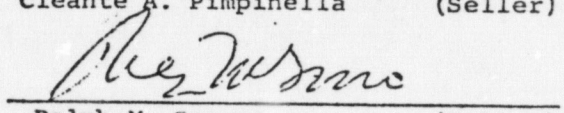
IN WITNESS WHEREOF, this Agreement has been duly executed by the parties below.

IN PRESENCE OF:

  
Richard J. Robin  
  
John D. Hertz

  
Richard J. Robin  
  
John D. Hertz

SELLERS:

  
Cleante A. Pimpinella (Seller)  
  
Ralph M. Grasso (Seller)

PURCHASER:

STAMFORD MOTORS, INC.

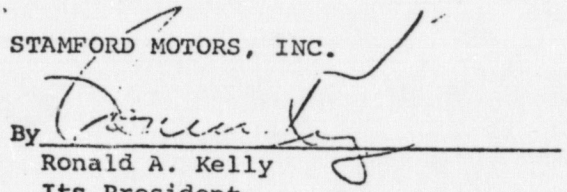
By   
Ronald A. Kelly  
Its President

EXHIBIT I

Description of Premises

ALL THAT CERTAIN piece, parcel or tract of land, together with the buildings thereon, situated in the City of Stamford, County of Fairfield and State of Connecticut, shown as Parcel "B" and containing approximately 240,005 square feet on a certain map entitled, "Map Showing A Consolidation of Properties Of Ralph M. Grasso, Et Al., Stamford, Connecticut," certified "Substantially Correct" by Edward J. Frattaroli & Company, Surveyors, dated April 20, 1971, and revised June 21, 1972 and June 27, 1972.

A copy of the above referred to map is attached hereto and made a part of this Exhibit.



EXHIBIT I (CONTINUED)

Description of Personal Property

None

CUMMINGS & LOCKWOOD

REAL ESTATE CLOSING STATEMENT

Sellers: RALPH M. GRASSO and CLEANTE A. PIMPINELLA

Purchaser: STAMFORD MOTORS, INC.

Premises: Purchase of property on Magee Avenue and Sale & Lease  
Back of property on Washington Boulevard, Stamford,  
Connecticut.

Closing: Union Trust Company on August 16, 1972 with adjustments  
as of August 15, 1972

TOTAL CONSIDERATION:

a) Parcel 1 - 60,000 sq. ft. \$ 212,138.00

PAID AT CLOSING:

Certified check of Stamford Motors,  
Inc. No. 9319 212,138.00

Note: Refer to Warranty Deed from Cleante A.  
Pimpinella, et al to Stamford Motors,  
Inc., dated August 15, 1972 and recorded  
on August 16, 1972 in Book 1289 at Page  
165 of the Stamford Land Records.

b) Parcel 2 - 180,005 sq. ft. \$ 830,000.00

Consideration paid by the  
conveyance of property on  
Washington Blvd., Stamford  
Conn. by Stamford Motors,  
Inc. to Cleante A. Pimpinella,  
et al 830,000.00

Note: Refer to Warranty Deed from Cleante A.  
Pimpinella, et al to Stamford Motors,  
Inc., dated August 15, 1972 and recorded  
on August 16, 1972 in Book 1289 at Page  
162 of the Stamford Land Records.

TAX ADJUSTMENT: (Parcels 1 & 2)

List of 1971  
Total Tax \$15,085.44



Portion to be paid--one-half  
Covers the period 7/1/72 to 12/31/72  
Credit for period 7/1/72 to 8/15/72  
Adjustment in favor of Purchaser  
Penalty due to late payment  
Pioneer National check to Purchaser

\$	1,885.68
	<u>226.28</u>
\$	<u>2,111.96</u>

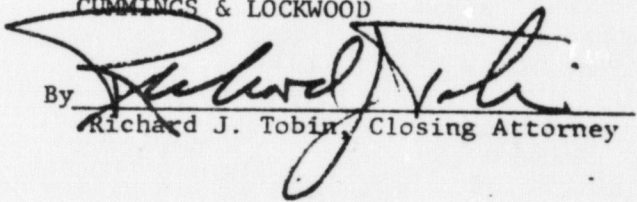
Stamford Motors paid first half taxes  
to City of Stamford as follows:

Tax	\$ 7,542.72
Penalty	<u>113.14</u>
	<u>\$ 7,655.86</u>

Miscellaneous Disbursements by Purchaser:

- |   |           |
|---|-----------|
| a) Conveyance Tax to City of Stamford<br>check No. 9321 for Washington<br>Boulevard conveyance. | \$ 913.00 |
| b) Rent (two months) to Ralph M. Grasso<br>and Cleante A. Pimpinella, check<br>No. 9322.        | 16,666.66 |
| c) Title Policy to Pioneer National<br>check No.  | 2,580.00  |

CUMMINGS & LOCKWOOD

By   
Richard J. Tobin, Closing Attorney

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x  
BINAR A. HELSING,

Plaintiff,

(L.P.G.)  
73 Civ. 5394

-against-

STAMFORD MOTORS, INC.,

Defendant.

INTERROGATORIES

-----x  
  
Plaintiff Binar A. Helsing, by his attorneys, Battle, Fowler, Lidstone, Jaffin, Pierce & Kheel, request that defendant Stamford Motors, Inc., by an officer or agent, answer, under oath, in accordance with Rule 33 of the Federal Rules of Civil Procedure, the following interrogatories:

1. Set forth the expenses incurred by defendant attributable to the sale or transfer of the South Street Property for each of the following items:

- (a) commissions;
- (b) legal fees;
- (c) transfer taxes;
- (d) Federal taxes;
- (e) state taxes;
- (f) local taxes;
- (g) other taxes; and
- (h) every other item of expense incurred by defendant.

For each of the foregoing items set forth the names and addresses of the recipients of the payments made by defendant.



2. Set forth in detail the manner in which the "net selling price" of \$561,000 alleged by defendant in paragraph 2 of its counterclaim is computed.

For the purposes of these interrogatories, the term "South Street Property" shall mean the real estate owned by defendant on December 19, 1969 located on South Street in Stamford, Connecticut.

Dated: New York, New York  
April 4, 1974

BATTLE, FOWLER, LIDSTONE, JEFFIN,  
PIERCE & KHEEL

BY                       
A Member of the Firm

Attorneys for Plaintiff  
280 Park Avenue  
New York, New York 10017  
(212) 986-3330

TO:

WIDE, DICKERSON & REILLY  
Attorneys for Defendant  
61 Broadway  
New York, New York 10006

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

EINAR A. HELSING )  
 )  
Plaintiff ) (L.P.G.)  
 ) 73 Civil 5394  
v. )  
 )  
STAMFORD MOTORS, INC. )  
 )  
Defendant )

DEFENDANT'S ANSWER TO PLAINTIFF'S WRITTEN  
INTERROGATORIES DATED APRIL 4th, 1974

1. Expenses incurred by defendant attributable to the sale or transfer of the South Street Property were as follows:

(a) Commissions: None.

(b) Legal fees: For the period commencing March 1, 1971 and ending March 31, 1973, defendant paid Messrs. Cummings & Lockwood, One Atlantic Street, Stamford, Connecticut, \$30,850. for legal services. Defendant on information and belief believes \$5,000. of this amount is reasonably attributable to the transfer of the South Street Property.

(c) Transfer taxes: \$913. Town Clerk, Town Hall, Stamford, Connecticut.

(d) Federal taxes: Deferred federal income taxes were incurred by defendant in the amount of \$264,000.

(e) State taxes: Deferred Connecticut State Business taxes were incurred by defendant in the amount of \$56,296.



(f) Local taxes: None.

(g) Other taxes: None.

(h) Every other item of expenses incurred by defendant:  
None.

2. The "net selling price" alleged by defendant in paragraph 2 of its counterclaim was computed by subtracting from \$830,000., the deferred federal income taxes of \$264,000. and attorneys' fees of \$5,000.

/s/ Ronald A. Kelly

Ronald A. Kelly,  
President

STATE OF CONNECTICUT)

)ss: Stamford

May 16, 1974

COUNTY OF FAIRFIELD )

RONALD A. KELLY states that he is the President of Stamford Motors, Inc., defendant herein, and he has read the foregoing Answer to defendant's interrogatories dated April 4, 1974 and knows the contents thereof and that the same are true to the best of his own knowledge except as to those matters therein stated to be alleged on information and belief and as to those matters, he believes them to be true.

/s/ Ronald A. Kelly

RONALD A. KELLY

Subscribed and sworn to  
before me this 16th day of  
May, 1974.

/s/ Donna Lee Fabrizio

Notary Public

TO:

Battle, Fowler, Lidstone, Jaffin,  
Pierce & Kheel  
280 Park Avenue  
New York, New York 10017

CUMMINGS & LOCKWOOD

ATTORNEYS AT LAW  
855 MAIN STREET  
BRIDGEPORT, CONN. 06603

September 11, 1972

Stamford Motors Inc.  
717 Washington Blvd.  
Stamford, Connecticut

Attention: Mr. Ronald A. Kelly, President

TO CUMMINGS & LOCKWOOD, DR.

TO ALL LEGAL SERVICES RENDERED

during the period April 12, 1972 through August 21, 1972, in connection with the acquisition of property on Magee Avenue, Stamford, Connecticut, and the simultaneous exchange and lease back of property on Washington Blvd., Stamford, Connecticut, for a total consideration of \$1,042,138.00, including conferences with A. R. Spigarelli, Esq. and Mr. Ronald A. Kelly; preparation of Purchase Agreement and Sale and Lease Back Agreement and arranging for title insurance, including conference with Mr. Donald Holden of Pioneer National Title Insurance Company, to review the title abstract, preparation and filing of two applications to the Zoning Board of Appeals, requesting a "New Dealer Permit" for Ford and Lincoln-Mercury Dealerships, preparation for public hearing, including various meetings with neighborhood organizations and local neighborhood representatives, presentation of these Applications before the Zoning Board of Appeals resulting in immediate approval of both Applications, participation in negotiating conferences with the Sellers and their Attorney, revising the Agreements to reflect the results of the negotiations, review of all documents in preparation for closing, including review and extensive negotiations and conferences regarding the Ford Site Availability Agreement, attention to details in preparation for closing, attendance at closing, conference with Tax Assessor to

TO CUMMINGS & LOCKWOOD, DR.

EXHIBIT G

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and Motors, Inc.  
September 11, 1972  
Page 2

establish a tax apportionment for the property  
general consultations and advice rendered  
during this period to Mr. Ronald A. Kelly.

\$3,500.00

DISBURSEMENTS:

Filing Fee Zoning Board of Appeals	\$50.00
Recording Fees	10.00
Corporate Certificate	3.00
Photocopy	<u>10.00</u>

73.00

\$3,573.00

RJT:slh

TO CUMMINGS & LOCKWOOD, 34

68

U.S. CORPORATION  
Department of the Treasury  
Internal Revenue Service

U.S. Corporation Income Tax Return  
For calendar year 1972 or other taxable year beginning  
1972, ending 1972, and ending 1972  
(PLEASE TYPE OR PRINT)

1972

Check if ☐ A Consolidated return  
☐ B Personal Holding Co.  
C Business Code No. (See page 7 of instructions)  
5241

Name  
STAMFORD MOTORS, INC.  
Number and street  
82 South Street  
City or town, State, and ZIP code  
Stamford, Conn. 06901

D Employer Identification No.  
06 0547035  
E County in which located  
Fairfield  
F Enter total assets from line 14, column (D), Schedule L (See instruction R)

COPY

IMPORTANT—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see instruction N.

GROSS INCOME	1	Gross receipts or gross sales	Less: Returns and allowances	1	\$ 1,043,559
	2	Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)		2	536,545
	3	Gross profit		3	4,522,118
	4	Dividends (Schedule C)		4	841,427
	5	Interest on obligations of the United States and U.S. instrumentalities		5	
	6	Other interest		6	9,030
	7	Gross rents		7	
	8	Gross royalties		8	
	9(a)	Net capital gains—(separate Schedule D)		9(a)	
	9(b)	Ordinary gain or (loss) from Part II, Form 4797 (attach Form 4797)		9(b)	38,335
	10	Other income (see instructions—attach schedule)		10	36,245
11	TOTAL income—Add lines 3 through 10		11	848,365	
DEDUCTIONS	12	Compensation of officers (Schedule E)		12	73,500
	13	Salaries and wages (not deducted elsewhere)		13	402,214
	14	Repairs (see instructions)		14	4,317
	15	Bad debts (Schedule F if reserve method is used)		15	
	16	Rents		16	64,375
	17	Taxes (attach schedule)		17	69,491
	18	Interest		18	8,841
	19	Contributions (not over 5% of line 23 adjusted per instructions—attach schedule)		19	
	20	Amortization (attach schedule)		20	
	21	Depreciation (Schedule G)		21	5942
	22	Depletion		22	
TAX	23	Advertising		23	
	24	Pension, profit-sharing, etc. plans (see instructions)		24	25,000
	25	Employee benefit programs (see instructions)		25	
	26	Other deductions (attach schedule)		26	194,229
	27	TOTAL deductions—Add lines 12 through 25		27	847,909
	28	Taxable income before net operating loss deduction and special deductions (line 11 less line 27)		28	457
	29(a)	Less: (a) Net operating loss deduction (see instructions—attach schedule)	29(a)		
	29(b)	(b) Special deductions (Schedule I)	29(b)		
	30	Taxable income (line 28 less line 29)		30	457
	31	TOTAL TAX (Schedule J)		31	101
	32	Credits: (a) Overpayment from 1971 allowed as a credit	8298		
	(b) 1972 estimated tax payments	2650			
	(c) Less refund of 1972 estimated tax applied for on Form 4466		10948		
	(d) Tax deposited with Form 7004 (attach copy)				
	(e) Tax deposited with Form 7005 (attach copy)				
	(f) Credit from regulated investment companies (attach Form 2439)				
	(g) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)				
33	TAX DUE (line 31 less line 32). See instruction G for depositary method of payment		33	10948	
34	OVERPAYMENT (line 32 less line 31)		34	10847	
35	Enter amount of line 34 you want: Credit 1972 estimated tax		35	10847	

Under penalties of perjury, I declare that I have prepared this return, including accompanying schedules and statements, and it is true, correct, and complete. If prepared by other than the taxpayer, his declaration is based on all information of which he has knowledge and belief.

The Internal Revenue Service does not require a seal on this form, but if one is used, please place it here.

Date  
Signature of officer  
KURIANSKY & COMPANY  
Date  
Signature of individual or firm preparing tax return

KURIANSKY & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 3254 STAMFORD, CONN. 06903  
05-0726503

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# **Schedule A—COST OF GOODS SOLD (See instruction 2)**

1 Inventory at beginning of year	694,542
2 Merchandise bought for manufacture or sale	4,205,335
3 Salaries and wages	175,618
4 Other costs (attach schedule)	NONE
5 Total	5,075,495
6 Less inventory at end of year	553,377
7 Cost of goods sold—Enter on line 2, page 1	4,522,118

Method of inventory valuation

LOWER OF COST OR MARKET

Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach an explanation.

# **Schedule C—DIVIDENDS (See instruction 4)**

1 Domestic corporations subject to 85% deduction	
2 Certain preferred stock of public utilities	
3 Foreign corporations subject to 85% deduction	
4 Dividends from wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))	
5 Other dividends from foreign corporations	
6 Includable income from controlled foreign corporations (Subpart F; attach Forms 3546)	
7 Foreign dividend gross-up (section 78)	
8 Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(3))	
9 Qualifying dividends received from affiliated groups and subject to the provisions of section 1564(b)	
10 Dividends from a DISC or former DISC not included in line 1 (section 246(d))	
11 Other dividends	
12 Total—Enter here and on line 4, page 1	

# **Schedule E—COMPENSATION OF OFFICERS (See instruction 12)**

1. Name of officer	2. Social security number	3. Title	4. Time devoted to business	Percent of corporation stock owned	7. Amount of compensation	8. Expense account allowances
Ronald Kelly						
Stamford, Conn.	577 22 4877	Pres.	all	15% over	38,500	1800
John A. Kelly						
Stamford, Conn.	225 10 1973	Treas.	all	50%	35,000	2700
Total compensation of officers—Enter here and on line 12, page 1					73,500	

# **Schedule F—BAD DEBTS—RESERVE METHOD (See instruction 15)**

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	4. Current year's provision	5. Recoveries	6. Amount charged against reserve	7. Reserve for bad debts at end of year
1967						
1968						
1969						
1970						
1971						
1972						

**Schedule G—DEPRECIATION (See instructions for Schedule G)** Notes: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, you must file Form 4532 (Class Life (ADR) System) or Form 5005 (Guideline Class Life System) with your return. Except as otherwise expressly provided in income tax regulations sections 1.167 (a)-11 (b) (5) (ii) and 1.167 (a)-12, the provisions of Revenue Procedures 62-21 and 65-13 are not applicable for taxable years ending after December 31, 1970.

Check box(es) if you made an election this taxable year to use ☐ Class Life ADR System and/or ☐ Guideline Class Life System.

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
* Buildings & Improvements	VARIOUS	127,206	59,377	VAR	VAR	2278
Furniture and fixtures	VARIOUS	17,495	15,215	var	var	550
Transportation equipment	VARIOUS	7,231	5384	SL	3 yrs	976
Machinery and other equipment	VARIOUS	15,967	7849	var	var	2042
Other (specify)						
Signs & Outside Impr.	VARIOUS	7,731	7249	var	var	96
5 Totals		175,620				5942
6 Less amount of depreciation claimed in Schedule A						
7 Balance—Enter here and on line 21, page 1						5942

# **Schedule H—SUMMARY OF DEPRECIATION (Other than additional first-year depreciation)**

	Straight line	Declining balance	Sum of the years'-digits	Units of production	Other (specify)	Total
1 Depreciation from Form 4832						
2 Depreciation from Form 5005						
3 Other	1756	4186				5942

\* Exchanged 8/16/72 see statement Re: sec. 1031

**Schedule I—SPECIAL DEDUCTIONS**

1 (a) 55% of line 1, Schedule C . . . . .  
 (b) 60.208% of line 2, Schedule C . . . . .  
 (c) 85% of line 3, Schedule C . . . . .  
 (d) 100% of line 4, Schedule C . . . . .  
 2 Total—See page 6 of instructions for limitation . . . . .  
 3 100% of line 8, Schedule C . . . . .  
 4 Enter dividends received deduction allowed for dividends reported on line 9, Schedule C. See section 1564(b) for computation . . . . .  
 5 Dividends paid on certain preferred stock of public utilities (see instructions) . . . . .  
 6 Western Hemisphere trade corporations (see instructions) . . . . .  
 7 Total special deductions—Add lines 2 through 6. Enter here and on line 29(b), page 1 . . . . .

**Schedule J—TAX COMPUTATION**

1 Taxable income (line 30, page 1). (If DISC inter-company pricing rules (section 994(a)) apply, check here ☐ attach a computation of taxable income under section 994(a), and enter the recomputed taxable income here) . . . . . **457**  
 2 Surtax exemption—Enter line 1 or \$25,000, whichever is lesser. (Component members of a controlled group—see page 6 of instructions and enter your surtax exemption or line 1, whichever is lesser.) . . . . . **457**  
 3 Line 1 less line 2 . . . . . **NONE**  
 4 (a) 22% of line 1 . . . . . **101**  
 (b) 25% of line 3 . . . . .  
 (c) If multiple surtax exemption is elected under section 1562, enter 6% of line 2 . . . . . **101**  
 5 Income tax (line 4, or alternative tax from separate Schedule D, whichever is lesser) . . . . . **101**  
 6 (a) Foreign tax credit (attach Form 1118) . . . . .  
 (b) Investment credit (attach Form 3468) . . . . .  
 (c) Work Incentive (WIN) credit (attach Form 4874) . . . . .  
 7 Total of lines 6(a), (b), and (c) . . . . . **NONE**  
 8 Line 5 less line 7 . . . . . **101**  
 9 Personal holding company tax (attach Schedule 1120 PH) . . . . .  
 10 Tax from recomputing a prior year investment credit (attach Form 4255) . . . . .  
 11 Minimum tax on tax preference items (see page 6 of instructions). Check here ☐ If Form 4625 is attached . . . . .  
 12 Total tax—Add lines 8 through 11. Enter here and on line 31, page 1 . . . . . **101**

**Schedule K—RECORD OF FORM 503 FEDERAL TAX DEPOSITS (List deposits in order of date made—See instruction G)**

Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount
155	6/15/72	1325						
156	4/14/72	1325						

G Date incorporated April 30, 1940

- H (1) Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation?  
 see below ☒ Yes ☐ No  
 (2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own, directly or indirectly, 50% or more of your voting stock? ☒ Yes ☐ No  
 (For rules of attribution, see section 267(c).)

If the answer to (1) or (2) is "Yes," attach a schedule showing:  
 (a) name, address, and identifying number; and  
 (b) percentage owned. See Schedule E

If the answer to (1) above is "Yes," show the taxable income or (loss) from line 30, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year.

If the answer to (2) above is "Yes," was the owner of such voting stock an alien individual or a foreign corporation, partnership, trust, or association? ☐ Yes ☒ No

- I Did you have any contracts or subcontracts subject to the Renegotiation Act of 1951? ☐ Yes ☒ No. If "Yes," enter the aggregate gross dollar amount billed during the year.

- J Did you ever declare a stock dividend? ☐ Yes ☒ No

- K Did you claim a deduction for expenses connected with:  
 (1) Entertainment facility (boat, resort, ranch, etc.)? ☐ Yes ☒ No  
 (2) Living accommodations (except employees on business)? ☐ Yes ☒ No  
 (3) Employees' families at conventions or meetings? ☐ Yes ☒ No  
 (4) Employee or family vacations not reported on Form W-2? ☐ Yes ☒ No

H (1) Auto Lease of America, Inc. 100%  
 Stamford, Conn. 06-0736201  
 Year Ended 6/30/72 **12,673**

L Taxable income or (loss) from line 30, page 1, Form 1120 for:  
 1959 130,702 1970 84,504 1971 45,802

M Refer to page 7 of instructions and state the principal:  
 Business activity Dealer Franchise  
 Product or service Auto Sales & Service

- N Were you a member of a controlled group subject to the provisions of:  
 (1) Section 1561? ☒ Yes ☐ No (2) Section 1562? ☐ Yes ☒ No  
 If answer to (1) or (2) is "Yes," check type of relationship:

- (a) parent-subsidiary ☒ (b) brother-sister ☐  
 (c) combination of (a) and (b) ☐ (See section 1563.)

If answer to (2) is "Yes," does section 1562(b)(1)(A) apply (nonapplication of 6% additional tax under section 1562)? ☐ Yes ☒ No

- O Did the corporation, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country? ☐ Yes ☒ No  
 If "Yes," attach Form 4683. (For definitions, see Form 4683.)

- P Were you a U.S. shareholder of any controlled foreign corporation? ☐ Yes ☒ No. (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation.

- Q During this taxable year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? ☐ Yes ☒ No. (See sections 301 and 316.)

If "Yes," file Schedule A, Form 1095. If this is a consolidated return, answer here for parent corporation and on Form 851, Attachments Schedule, for each subsidiary.

- R Did you file all required Forms 1099, 1056 and 1057? ☒ Yes ☐ No



	(A) Amount	(B) Total	(C) Amount	(D) Total
1 Cash		119,159		65,008
2 Trade notes and accounts receivable	152,318		209,441	
(a) Less allowance for bad debts		152,318		209,441
3 Inventories		694,542		553,377
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)		11,464		20,282
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)		39,975		9975
9 Buildings and other fixed depreciable assets	175,689		48424	
(a) Less accumulated depreciation	95,074	80,615	39362	9062
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)		60,744		341,926
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule)				(165,512)
14 Total assets		1,158,817		1,043,559
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
15 Accounts payable		124,294		58406
16 Mtgs., notes, bonds payable in less than 1 yr.		83,333		212000
17 Other current liabilities (attach schedule)		83,517		114832
18 Loans from stockholders				
19 Mtgs., notes, bonds payable in 1 yr. or more		25,000		
20 Other liabilities (attach schedule)				
21 Capital stock: (a) Preferred stock				
(b) Common stock	22,500	22,500	22500	22,500
22 Paid-in or capital surplus (attach reconciliation)				
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated		820,173		635821
25 Less cost of treasury stock		( )		( )
26 Total liabilities and stockholders' equity		1,158,817		1,043,559

**Schedule M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN**

1 Net income per books	329	7 Income recorded on books this year not included in this return (Complete)	
2 Federal income tax	128	(a) Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Taxable income not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		(a) Depreciation \$	
(e) Depreciation \$		(b) Depletion \$	
(b) Depletion \$			
6 Total of lines 1 through 5	457	9 Total of lines 7 and 8	NONE
		10 Income (line 23, page 1)—line 6 less 9	457

**Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)**

1 Balance at beginning of year	820,173	5 Distributions: (a) Cash	
2 Net income per books	329	(b) Stock	
3 Other increases (itemize)		(c) Property	
See schedule	29116	6 Other decreases (itemize)	
		See schedule	
		ATTACHED	
4 Total of lines 1, 2, and 3	849,618	7 Total of lines 5 and 6	213797
		8 Balance at end of year (line 4 less 7)	635821

Name

STAMFORD MOTORS, INC.

Identifying number as shown on page 1 of your return  
06-0547035

**Part II** Sales or Exchanges of Property Used in Trade or Business and/or Involuntary Conversions  
(Section 1231)

**SECTION A.—Involuntary Conversions Due to Casualty and Theft (See Instruction D)**

a. Kind of property (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	g. Gain or (loss) (d plus e less f)
1						

2 Combine the amounts on line 1, enter here and also on the appropriate line as follows . . . . .

(a) For all returns, except partnership returns:

- (1) If line 2 is zero or a gain, enter such amount in column g, line 3.  
(2) If line 2 is a loss, enter the loss on line 5.

(b) For partnership returns: Enter the amount shown on line 2, on line 6, Schedule K (Form 1065).

**SECTION B.—Sales or Exchanges of Property Used in Trade or Business and Certain Involuntary Conversions (Not Reportable in Section A) (See Instruction D)**

3 LAND AND BUILDING	6/1/68	6/2/72	185000	(See Schedule)	223336	38336

4 Combine the amounts on line 3, enter here and also on the appropriate line as follows . . . . .

(a) For all returns, except partnership returns:

- (1) If line 4 is a gain, enter such gain as a long-term capital gain on the Schedule D (Form 1040, 1120, etc.) that is being filed—see instruction D.  
(2) If line 4 is zero or a loss, enter such amount on line 6.

(b) For partnership returns: Enter the amount shown on line 4, on line 7, Schedule K (Form 1065).

**Part III** Ordinary Gains and Losses

a. Kind of property and how acquired (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, cost of subsequent improvements and expense of sale	g. Gain or (loss) (d plus e less f)
5 Amount, if any, from line 2(a)(2)						
6 Amount, if any, from line 4(a)(2)						38,336
7 Gain, if any, from line 21						
8						

9 Combine lines 5 through 8, enter here and also on the appropriate line as follows . . . . .

(a) For all returns, except individual returns: Enter the gain or (loss) shown on line 9, on the line provided for on the return (Form 1120, etc.) being filed—see instruction E, for specific line reference.

(b) For individual returns:

- (1) If the gain or (loss) on line 9, includes losses which are to be treated as an itemized deduction on Schedule A (Form 1040) (see instruction E), enter the total of such loss(es) here and include on line 30, Schedule A (Form 1040)—identify as loss from line 9(b)(1), Form 4797 . . . . .  
(2) Redetermine the gain or (loss) on line 9, excluding the loss (if any) entered on line 9(b)(1). Enter here and on line 37, Form 1040 . . . . .



# Stanford Motors Inc.

Form 1120 - 1972

Information Re: Liquidation of Subsidiary  
Per Regulations-1.332-6

1) Corporation Liquidated under Sec. 332  
as at May 31, 1972

Kelsing Realty Inc. 06-0848254

Certified Copy of Plan Attached

2) Properties Received	Basis	FMV
Cash	\$ 8904.62	\$ 8,904.62
Land & Building	212,029.-	185,000.-
	<u>220,933.62</u>	<u>193,904.62</u>
Liabilities		
Mortgage	155,515.56	155,515.56
Taxes & Sundry	6,302.02	6,302.02
	<u>161,817.58</u>	<u>161,817.58</u>
Net Property Received	\$ 59,116.04	\$ 32,087.04

3) No liabilities due recipient Corporation

4) All Stock - Common only owned by  
Stanford Motors Inc.  
Acquired 4-12-68  
Basis \$30,000

Name STAMFORD MOTORS, INC  
Address \_\_\_\_\_

Identification No. 06-0541035

Form 1120 Schedule \_\_\_\_\_ Line \_\_\_\_\_ Year 1972

STATEMENT REGARDING TAX FREE - SEC 1031 IRC  
EXCHANGE OF PROPERTY USED IN TRADE OR BUSINESS

LAND AND BUILDINGS LOCATED AT WASHINGTON  
BLVD, STAMFORD, CONN.

DATE: 8/15/72

COST - LAND - Bldg + Improvements	187,950	x
Less: Accumulated Depreciation	61,655	x
Adjusted Basis	126,295	x

THE ABOVE PROPERTY WAS  
EXCHANGED 8/15/72 FOR:

PROPERTY (LAND) LOCATED AT  
MAGEE AVENUE, STAMFORD, CONN.

Basis of Property Received	
PURSUANT TO SECTION 1031(a) (AS ABOVE)	126,295

THERE WAS NO BOOT INVOLVED IN THIS EXCHANGE

THE PROPERTY AT WASHINGTON BLVD WAS NOT  
SUBJECT TO ANY MORTGAGES



Name STAMFORD MOTORS INC. Address 06-0547035

Form 1120 Schedule \_\_\_\_\_ Line \_\_\_\_\_ Year 1972

# Election Regarding Allocation

## of SURTAX EXEMPTION

The Following TAXPAYERS, MEMBERS OF A  
CONTROLLED GROUP OF CORPORATIONS hereby Elect, Pursuant  
to SECTION 1561 IRC of 1954 As Amended, to  
Allocate their \$25000 SURTAX EXEMPTION AS  
FOLLOWS:

STAMFORD MOTORS, INC.  
82 SOUTH STREET  
STAMFORD, CONN.  
06-0547035  
YEAR END 12/31/72

\$ 457 ✓

AUTO LEASE OF AMERICA INC  
717 WASHINGTON BLVD  
STAMFORD, CONN.  
06-0736701  
F/Y/E 6/30/73

\$4543 ✓

## GAIN ON INVOLUNTARY CONVERSION - 1968

\$213797

PERMISSION HAS BEEN GRANTED TO EXTEND THE  
TIME TO REPLACE DESTROYED FACILITY UNTIL  
DECEMBER 31, 1973 - SEE COPY OF LETTER  
ATTACHED. ✓

Name STAMFORD HESTER, INC. Address 1000 10th St. N.W.

Form 1120 Schedule Line Year 1972

Schedule M-2 Line 3 OTHER INCREASES

NONTAXABLE GAIN ON LIQUIDATION  
OF SUBSIDIARY - KELSING REALTY,  
per section 332 IRC  
See STATEMENT OF INFORMATION

29116 M

Schedule M-2 Line 6- OTHER DEDUCTIONS

Reduction of BASIS of DEPRECIATION  
PROPERTY BY GAIN ON INVOLUNTARY  
CONVERSION (due to FIRE) PREVIOUSLY  
CREDITED TO RETAINED EARNINGS.  
per section 1033 IRC.

213797 M



STANFORD INTER, INC

Address

Form 1120 Schedule Line Year 1972

LINE 10: OTHER INCOME:

SERVICE FEES	555	
DISCOUNTS EARNED	1534	
FINANCE INCOME	16008	
DEALER SWAPS - HOLDBACK - JUDRY	9951	
DOCUMENTARY FEES	8167	
TOTAL	36245	X

LINE 17: TAXES:

PAYROLL	30192	1
REAL ESTATE	23327	1
PERSONAL PROPERTY	11992	1
CARIN. CORP. TAX	3543	1
MISC. STATE & LOCAL	371	1
TOTAL	69491	11

Schedule L - LINE 8 OTHER INVESTMENTS

	BOG	END
AUTO LEASE of AMERICA	9975	9975
KEISING REALTY INC	30000	NONE
	39975	9975

Schedule L - LINE 13 - OTHER ASSETS

	BOG	END
CONSTRUCTION IN PROGRESS	NONE	48285
Less: GAIN Deferred PER Sec 1033		
Re: FIRE LOSS	-	(213797) X
	NONE	(165512) X

STIMFORD MOTOR INC

Address

Form 1120 Schedule

Line

Year 1972

LINE 25: OTHER DEDUCTIONS

PRE-DELIVERY EXPENSES	782	^
SERVICE COSTS + POLICY ADJUSTMENTS	26562	^
ADVERTISING + PROMOTION	13722	^
EMPLOYEE TRAINING	1981	^
DEMO-EXPENSE	19952	^
TOOLS + SERVICE SUPPLIES	15942	^
FREIGHT	515	^
SERVICE MAINTENANCE	1514	^
INSURANCE - BUILDING	2459	^
INSURANCE - OTHER	17710	^
WORKMEN'S COMPENSATION	3607	^
HOSPITALIZATION + GROUP INS	21003	^
INSTITUTIONAL ADVERTISING - PROMOTION + ENTERTAINMENT	6315	^
UTILITIES	10610	^
TELEPHONE	9562	^
OFFICE SUPPLIES	6604	^
DATA PROCESSING CHARGES	14801	^
PROFESSIONAL FEES	11845	^
DUES + SUBSCRIPTIONS	910	^
AUTO RENTAL	5794	^
DISCOUNTS ALLOWED	57	^
MISCELLANEOUS	1682	^

TOTAL

141329

FORM 4797 SECTION B: LINE 3 BASIS:

PROPERTY ACQUIRED THROUGH LIQUIDATION  
OF SUBSIDIARY UNDER SECTION 332, IRC

BASIS IN HANDS OF LIQUIDATED SUBSIDIARY  
SEE STATEMENT ATTACHED:

212029 ^

EXPENSE OF SALE - BROKERAGE + OTHER FEES

11307 ^

TOTAL BASIS + EXPENSE OF SALE

223336 x



03007 12 1952 December 1952 717 Washington Blvd  
 717 Washington Blvd  
 Stamford Conn

NEW VEHICLE DOMESTIC				PERSONNEL				LEASED & RENTAL INVENTORY ANALYSIS				OPERATING ANALYSIS			
MONTH	YEAR TO DATE	SALES	EXPENSE	CLERK	DRIVER	MECHANIC	SALES	SALES	RENTAL	RENTAL	RENTAL	RENTAL	SALES	EXPENSE	TOTAL SALES
781737	781737	781737	781737	1	1	1	1	1	1	1	1	1	781737	781737	781737
472795	472795	472795	472795	4	3	2	1	2	1	2	1	2	472795	472795	472795
44145	44145	44145	44145	2	1	1	4	2	1	2	1	2	44145	44145	44145
123832	123832	123832	123832	2	1	1	4	2	1	2	1	2	123832	123832	123832
53251	53251	53251	53251	2	1	1	4	2	1	2	1	2	53251	53251	53251
167985	167985	167985	167985	2	1	1	4	2	1	2	1	2	167985	167985	167985
1851	1851	1851	1851	2	1	1	4	2	1	2	1	2	1851	1851	1851
1687	1687	1687	1687	2	1	1	4	2	1	2	1	2	1687	1687	1687
1744	1744	1744	1744	2	1	1	4	2	1	2	1	2	1744	1744	1744
60134	60134	60134	60134	2	1	1	4	2	1	2	1	2	60134	60134	60134
7023	7023	7023	7023	2	1	1	4	2	1	2	1	2	7023	7023	7023
51857	51857	51857	51857	2	1	1	4	2	1	2	1	2	51857	51857	51857
57812	57812	57812	57812	2	1	1	4	2	1	2	1	2	57812	57812	57812
TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$			

NEW VEHICLE DOMESTIC				PERSONNEL				LEASED & RENTAL INVENTORY ANALYSIS				OPERATING ANALYSIS			
MONTH	YEAR TO DATE	SALES	EXPENSE	CLERK	DRIVER	MECHANIC	SALES	SALES	RENTAL	RENTAL	RENTAL	RENTAL	SALES	EXPENSE	TOTAL SALES
781737	781737	781737	781737	1	1	1	1	1	1	1	1	1	781737	781737	781737
472795	472795	472795	472795	4	3	2	1	2	1	2	1	2	472795	472795	472795
44145	44145	44145	44145	2	1	1	4	2	1	2	1	2	44145	44145	44145
123832	123832	123832	123832	2	1	1	4	2	1	2	1	2	123832	123832	123832
53251	53251	53251	53251	2	1	1	4	2	1	2	1	2	53251	53251	53251
167985	167985	167985	167985	2	1	1	4	2	1	2	1	2	167985	167985	167985
1851	1851	1851	1851	2	1	1	4	2	1	2	1	2	1851	1851	1851
1687	1687	1687	1687	2	1	1	4	2	1	2	1	2	1687	1687	1687
1744	1744	1744	1744	2	1	1	4	2	1	2	1	2	1744	1744	1744
60134	60134	60134	60134	2	1	1	4	2	1	2	1	2	60134	60134	60134
7023	7023	7023	7023	2	1	1	4	2	1	2	1	2	7023	7023	7023
51857	51857	51857	51857	2	1	1	4	2	1	2	1	2	51857	51857	51857
57812	57812	57812	57812	2	1	1	4	2	1	2	1	2	57812	57812	57812
TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$			

NEW VEHICLE DOMESTIC				PERSONNEL				LEASED & RENTAL INVENTORY ANALYSIS				OPERATING ANALYSIS			
MONTH	YEAR TO DATE	SALES	EXPENSE	CLERK	DRIVER	MECHANIC	SALES	SALES	RENTAL	RENTAL	RENTAL	RENTAL	SALES	EXPENSE	TOTAL SALES
781737	781737	781737	781737	1	1	1	1	1	1	1	1	1	781737	781737	781737
472795	472795	472795	472795	4	3	2	1	2	1	2	1	2	472795	472795	472795
44145	44145	44145	44145	2	1	1	4	2	1	2	1	2	44145	44145	44145
123832	123832	123832	123832	2	1	1	4	2	1	2	1	2	123832	123832	123832
53251	53251	53251	53251	2	1	1	4	2	1	2	1	2	53251	53251	53251
167985	167985	167985	167985	2	1	1	4	2	1	2	1	2	167985	167985	167985
1851	1851	1851	1851	2	1	1	4	2	1	2	1	2	1851	1851	1851
1687	1687	1687	1687	2	1	1	4	2	1	2	1	2	1687	1687	1687
1744	1744	1744	1744	2	1	1	4	2	1	2	1	2	1744	1744	1744
60134	60134	60134	60134	2	1	1	4	2	1	2	1	2	60134	60134	60134
7023	7023	7023	7023	2	1	1	4	2	1	2	1	2	7023	7023	7023
51857	51857	51857	51857	2	1	1	4	2	1	2	1	2	51857	51857	51857
57812	57812	57812	57812	2	1	1	4	2	1	2	1	2	57812	57812	57812
TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$			

NEW VEHICLE DOMESTIC				PERSONNEL				LEASED & RENTAL INVENTORY ANALYSIS				OPERATING ANALYSIS			
MONTH	YEAR TO DATE	SALES	EXPENSE	CLERK	DRIVER	MECHANIC	SALES	SALES	RENTAL	RENTAL	RENTAL	RENTAL	SALES	EXPENSE	TOTAL SALES
781737	781737	781737	781737	1	1	1	1	1	1	1	1	1	781737	781737	781737
472795	472795	472795	472795	4	3	2	1	2	1	2	1	2	472795	472795	472795
44145	44145	44145	44145	2	1	1	4	2	1	2	1	2	44145	44145	44145
123832	123832	123832	123832	2	1	1	4	2	1	2	1	2	123832	123832	123832
53251	53251	53251	53251	2	1	1	4	2	1	2	1	2	53251	53251	53251
167985	167985	167985	167985	2	1	1	4	2	1	2	1	2	167985	167985	167985
1851	1851	1851	1851	2	1	1	4	2	1	2	1	2	1851	1851	1851
1687	1687	1687	1687	2	1	1	4	2	1	2	1	2	1687	1687	1687
1744	1744	1744	1744	2	1	1	4	2	1	2	1	2	1744	1744	1744
60134	60134	60134	60134	2	1	1	4	2	1	2	1	2	60134	60134	60134
7023	7023	7023	7023	2	1	1	4	2	1	2	1	2	7023	7023	7023
51857	51857	51857	51857	2	1	1	4	2	1	2	1	2	51857	51857	51857
57812	57812	57812	57812	2	1	1	4	2	1	2	1	2	57812	57812	57812
TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$			

NEW VEHICLE DOMESTIC				PERSONNEL				LEASED & RENTAL INVENTORY ANALYSIS				OPERATING ANALYSIS			
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472795	472795	472795	472795	4	3	2	1	2	1	2	1	2	472795	472795	472795
44145	44145	44145	44145	2	1	1	4	2	1	2	1	2	44145	44145	44145
123832	123832	123832	123832	2	1	1	4	2	1	2	1	2	123832	123832	123832
53251	53251	53251	53251	2	1	1	4	2	1	2	1	2	53251	53251	53251
167985	167985	167985	167985	2	1	1	4	2	1	2	1	2	167985	167985	167985
1851	1851	1851	1851	2	1	1	4	2	1	2	1	2	1851	1851	1851
1687	1687	1687	1687	2	1	1	4	2	1	2	1	2	1687	1687	1687
1744	1744	1744	1744	2	1	1	4	2	1	2	1	2	1744	1744	1744
60134	60134	60134	60134	2	1	1	4	2	1	2	1	2	60134	60134	60134
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472795	472795	472795	472795	4	3	2	1	2	1	2	1	2	472795	472795	472795
44145	44145	44145	44145	2	1	1	4	2	1	2	1	2	44145	44145	44145
123832	123832	123832	123832	2	1	1	4	2	1	2	1	2	123832	123832	123832
53251	53251	53251	53251	2	1	1	4	2	1	2	1	2	53251	53251	53251
167985	167985	167985	167985	2	1	1	4	2	1	2	1	2	167985	167985	167985
1851	1851	1851	1851	2	1	1	4	2	1	2	1	2	1851	1851	1851
1687	1687	1687	1687	2	1	1	4	2	1	2	1	2	1687	1687	1687
1744	1744	1744	1744	2	1	1	4	2	1	2	1	2	1744	1744	1744
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TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$				TOTAL PAYROLL CURRENT MONTH \$			

NEW VEHICLE DOMESTIC				PERSONNEL				LEASED & RENTAL INVENTORY ANALYSIS				OPERATING ANALYSIS			
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472795	472795	472795	472795	4	3	2	1	2	1	2	1	2	472795	472795	472795
44145	44145	44145	44145	2	1	1	4	2	1	2	1	2	44145	44145	44145
123832	123832	123832	123832	2	1	1	4	2	1	2	1	2	123832	123832	123832
53251	53251	53251	53251	2	1	1	4	2	1	2	1	2	53251	53251	53251
167985	167985	167985	167985	2	1										

Form 208

TAX  
DEPARTMENTState of Connecticut  
CORPORATION BUSINESS TAX RETURN

For calendar year 1972 or other taxable year beginning

1972, ending 19

PLEASE TYPE OR PRINT

Corporate Name and Mailing Address Below

For Office Use Only

Checked

Audited (O)

Audited (F)

Refund

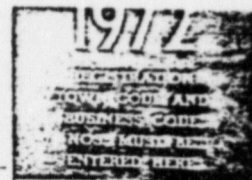
STANFORD MOTORS, INC.

82 South Street

Stamford, Conn. 06901

If mailing address above does not agree with address on mailing card, check here ☐  
If fiscal closing month differs from mailing card, check here ☐ Attach Explanation.

Principal Business Activity Dealer Franchise, Auto Sales &amp; Service



TAX REGISTRATION NO.

5 005 519

TOWN CODE NO.

135

BUSINESS CODE NO.  
(Per Instructions)

43

1. Under the laws of what state or country was this corporation organized? New York Date of organization? April 30, 1940  
Date qualified in Connecticut 1944 On what date did business operations commence in Connecticut? 1944
2. In what Connecticut towns did the corporation maintain a place of business, hold real or tangible personal property, or perform any services during the period covered by this return? Stamford
3. Where is the principal place of business of the company? Stamford, Conn.
4. On what basis was this return prepared? Cash ☐ Accrual ☒ Other ☐ (Explain "Other")
5. On what form was your Federal Return filed? 1120 ☒ 1120S ☐ Other ☐ (Explain "Other")
6. Were the operations of this company included as part of a consolidated Federal Tax Return? ☐ Yes ☒ No
7. (a) What is the last taxable year for which the corporation's Federal Tax Return has been corrected by the Internal Revenue Service? 1969  
(b) Have all such corrections been reported to the Connecticut Tax Commissioner as required by Sec. 12-225 of the C.G.S.? ☒ Yes ☐ No  
If answer is "No" forward corrections when filing this return or explain failure to do so.
8. Did any corporation at any time during the taxable year own a majority of the voting stock of this corporation? ☐ Yes ☒ No  
If "yes" enter the name and address of such corporation.

## SCHEDULE A COMPUTATION OF NET INCOME TAX

1. Net income (Line 40, Sch. D)	2225
2. Less Line 6, Col. 2, Sch. P (Form 208A)	
3. Balance to be apportioned	
4. % Conn. (Per Sch. R or Sch. Q, Form 208A)	2225 %
5. Apportioned to Connecticut	2225
6. Add Line 6, Col. 1, Sch. P (Form 208A)	
7. Amount subject to tax	2225
8. Tax at eight per cent (8%) of Line 7	178

## SCHEDULE B COMPUTATION OF ADDITIONAL TAX

1. Line 12, Sch. J or Line 5, Col. 4, Sch. O	885,688
2. % Conn. (If less than 100%, per Sch. S, 208A)	%
3. Line 1 or Line 1 times Line 2, if less	
4. Number of months covered by this return	12
5. Line 3 times Line 4 divided by 12	885,688
6. Four mills per dollar of Line 5 (.004)*	3,543
7. Amount in Line 8, Sch. A	178
8. Excess of Line 6 over Line 7	3365

\* (a) Banks—3.2% of Line 5. (b) Regulated Investment Cos. and Real Estate Investment Trusts—4/10 of one mill per dollar of Line 5 or \$10,000, whichever is less.

## SCHEDULE C COMPUTATION OF AMOUNT PAYABLE

1. Total Tax. Larger of: (1) Line 8, Sch. A plus Line 8, Sch. B; or (2) \$45 (Minimum Tax)	3543
2. Air Pollution Abatement Facilities credit claimed (See Instructions)	
3. Industrial Waste Treatment Facilities credit claimed (See Instructions)	
4. Line 2 plus Line 3. (This total amount shall not exceed the amount on Line 1)	
5. Balance of tax payable (Line 1, less Line 4)	
6. Less credits: (a) Tax paid with application for extension	
(b) Payments and credits on declaration (Form 208 EGA)	
7. Balance of Tax Due or (Overpaid)	3543
8. (a) Penalty \$ (b) Interest \$	
9. Total Due or (Overpaid)	3543

This Return Must Be Filed With The Conn. Tax Dept., Collections & Accounting Division, 92 Farmington Ave., Hartford, Conn. 06115. Calendar Year Returns Are Due On Or Before April 1, 1973. Fiscal And Short Year Returns Are Due 90 Days After End of Period. Make Remittance Payable To: State Tax Commissioner

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is true, correct, and complete return. If the return is prepared by a person other than the taxpayer, his declaration is based on all information related to the matters required to be reported in the return of which he has knowledge.

(Signature of Officer)

KURIANSKY &amp; COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 3254 STAMFORD, CONN. 06905

05-0726530



## COMPUTATION OF NET INCOME

SCHEDULE D		AS REPORTED ON FEDERAL RETURN (Form 1120 or 1120-S)		COMPUTATION OF NET INCOME	
		GROSS INCOME			
		1. Gross receipts or sales	Less: Returns and allowances		5,363,545
		2. Less: Cost of goods sold (Schedule E) and/or operations (Schedule F)			4,522,118
		3. Gross Profit			841,427
		4. Dividends (Schedule D)			
		5. Interest on obligations of the United States and U.S. instrumentalities			9,030
		6. Other interest			
		7. Gross rents			
		8. Gross royalties			
		9. (a) Net gains (Attach Federal Sch. D)			
		(b) Ordinary gain or (loss) from Part II, Form 4797 (Attach Federal Form 4797)			38,336
		10. Other income (attach schedule)			36,245
		11. TOTAL income, lines 3 to 10, inclusive			848,366
		12. Compensation of officers			73,500
		13. Salaries and wages (not deducted elsewhere)			402,214
		14. Repairs (do not include capital expenditures)			4,317
		15. Bad debts			
		16. Rents			64,315
		17. Taxes (Schedule G)			69,491
		18. Interest			8,841
		19. Contributions (attach schedule of computation)			
		20. Amortization			
		21. Depreciation (attach schedule)			5,942
		22. Depletion			
		23. Advertising			
		24. Pension, profit-sharing, stock bonus, annuity plans			25,000
		25. Other employee benefit plans			
		26. Other deductions (attach schedule)			154,229
		27. TOTAL deductions in lines 12 to 26, inclusive			847,909
		28. Line 11, less amount on Line 27			457
		29. Interest income wholly exempt from Federal tax			
		30. 20% of interest expense, 40% if this return filed by a bank (see instructions)			1768
		31. Capital losses of other income years used in computing amount on Line 9			
		32. Prior year investment credit recomputation (see instructions)			
		33. Unallowable deduction for Connecticut taxes assessed for prior years			
		34. Total of Lines 28 to 33, inclusive			2225
		35. Foreign taxes paid or accrued (attach copy of Federal Form 1120)			
		36. Foreign taxes deemed to have been paid and included in Item 4 (Dividends)			
		37. Dividends received deduction			
		38. Nontaxable refund of Connecticut taxes refunded for prior years			
		39. Total of Lines 35 to 38, inclusive			
		40. Net Income (Line 34, less Line 39)			2225

SCHEDULE E		COST OF GOODS SOLD	
		(Where inventories are an income-determining factor)	
1. Inventory at beginning of year		694,542	
2. Merchandise bought for manufacture or sale		4,205,335	
3. Salaries and wages		175,618	
4. Other costs (attach schedule)			
5. TOTAL		5,075,495	
6. Less: Inventory at end of year		553,377	
7. Cost of goods sold (Line 2, Sch. D)		4,522,118	

SCHEDULE F		COST OF OPERATIONS	
		(Where inventories are not an income-determining factor)	
1. Salaries and wages			
2. Other costs (to be determined)			
(a)			
(b)			
(c)			
(d)			
3. TOTAL (Line 2, Sch. D)			

SCHEDULE G		TAXES	
Nature	Amount		
See Schedule Attached	69,491		
Conn. Corp. Tax			
TOTAL (Line 17, Sch. D)	69,491		

SCHEDULE H		CONTRIBUTIONS OR GIFTS PAID	
Name and Address of Organization	Amount		
TOTAL (Line 19, Sch. D)			

## SCHEDULE I

## BALANCE SHEETS

ASSETS	Beginning of taxable year		End of taxable year	
1. Cash		119,159		65,008
2. Trade notes and accounts receivable	152,318		209,441	
(a) Less allowance for bad debts		152,318		209,441
3. Inventories		694,542		553,377
4. Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5. Other current assets (attach schedule) Prepayments		11,464		20,282
6. Loans to stockholders				
7. Mortgage and real estate loans				
8. Other investments (attach schedule)		39,975		9,975
9. Buildings and other fixed depreciable assets	175,689		48,424	
(a) Less accumulated depreciation	95,074	80,615	39,362	9,062
10. Depletable assets				
(a) Less accumulated depletion				
11. Land (net of any amortization)		60,744		341,926
12. Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13. Other assets (attach schedule)		-		(165,512)
14. Total assets		1,158,817		1,043,559
LIABILITIES AND STOCKHOLDERS' EQUITY				
15. Accounts payable		124,294		58,406
16. Mtges., notes, bonds payable in less than 1 year		83,333		212,000
17. Other current liabilities (attach schedule)		83,517		114,832
18. Loans from stockholders				
19. Mtges., notes, bonds payable in 1 year or more		25,000		-
20. Other liabilities (attach schedule)				
21. Capital stock: (a) Preferred stock				
(b) Common stock	22,500	22,500	22,500	22,500
22. Paid-in or capital surplus (attach reconciliation)				
23. Retained earnings—Appropriated (attach schedule)				
24. Retained earnings—Unappropriated		820,173		635,821
25. Less cost of treasury stock		( )		( )
26. Total liabilities and stockholders equity		1,158,817		1,043,559

## SCHEDULE I

## COMPUTATION OF ADDITIONAL TAX BASE (Refer to instructions)

ADD	Column 1	Column 2	Column 3
	Beg. of Year	End of Year	(Col. 1 + Col. 2) ÷ 2
1. Indebtedness (Per Schedule I)			
(a) Open book accounts (including trade accounts payable)	124,294	58,406	
(b) Bonds, notes, and mortgages payable	108,333	212,000	
(c) Advances payable			
2. Issued and outstanding capital stock	22,500	22,500	
3. Fractional shares, scrip, and payments on subscriptions			
4. Surplus and undivided profits	820,173	635,821	
5. Surplus Reserves (attach schedule)			
6. Deferred and unrealized profits			
7. Total (Lines 1 to 6 incl.) Enter average in Column 3	1,075,300	928,727	1,002,013
NOTE: Regulated Investment Cos. and Real Estate Investment Trusts enter on Line 7 totals and average of Lines 2, 3 and 4 only.			
DEDUCT			
8. Trade accounts payable outstanding for less than 12 months	124,294	58,406	
9. Deficit			
10. Holdings of stock of private corporations (Sch. N, Col. 2, Line 2)	39,975	9,975	
11. Total (Lines 8 to 10 incl.) Enter average in Column 3	164,269	68,381	116,325
12. Balance (Line 7, less Line 11, col. 3.) Enter also in Schedule B, Line 1			885,688
NOTE: Regulated Investment Cos. and Real Estate Investment Trusts enter on Line 1, Sch. B the amount on Line 7, Col. 3 above.			



## SCHEDULE K

## ACCOUNTS PAYABLE

	Beginning of Period	End of Period
1. Trade Accounts Outstanding (a) Less than twelve months (b) Twelve months or more	124,294	58,406
2. Other liabilities included in Line 15, Sch. I (attach schedule)		
3. Total (Per Line 15, Sch. I)	124,294	58,406

## SCHEDULE L

## RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1. Net income per books	329	7. Income recorded on books this year not included in this return (itemize)	
2. Federal income tax	128	8. Deductions in this tax return not charged against book income this year (itemize)	
3. Excess of capital losses over capital gains		9. Total of lines 7 and 8	NONE
4. Taxable income not recorded on books this year (itemize)		10. Income (line 23, page 2)—line 6 less 9	457 ✓
5. Expenses recorded on books this year not deducted in this return (itemize)			
6. Total of lines 1 through 5	457		

## SCHEDULE M

## ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24, page 3)

1. Balance at beginning of year	820,173	5. Distributions: (a) Cash	
2. Net income per books	329 ✓	(b) Stock	
3. Other increases (itemize)		(c) Property	
see schedule	29,116	6. Other decreases (itemize)	see schedule ATTACHED
4. Total of lines 1, 2, and 3	849,618 ✓	7. Total of lines 5 and 6	213,797 ✓
		8. Balance end of year (line 4 less 7)	635,821 ✓

## SCHEDULE N

## HOLDINGS OF STOCK OF PRIVATE CORPORATIONS AND DIVIDENDS RECEIVED

Holdings of stock of private corporations			Dividends received during year or period			
Name of Corporation	1 If majority- Owned State % Held	2 End of Year Amount	3 Domestic Corps Taxable Under Chapter 1 Int. Rev. Code	4 Certain Preferred Stock of P.U. Tax Under Chapter 1 Int. Rev. Code	5 Foreign Corporations	6 Other Corporations
AUTO LEASE OF AMERICA Inc.	100%	\$ 9,975 ✓				
1. Total dividends received		9,975 ✓				
2. Holdings of stock of private corporations						

## SCHEDULE O

## ADDITIONAL TAX BASE FOR BANKS ONLY

	Date Paid or Credited	Interest and Dividends Paid or Credited	Rate	Interest and Dividends at 2% Rate
	Col. 1	Col. 2	Col. 3	Col. 4
1.				
2.				
3.				
4.				
5. TOTAL				

NOTE: Enter in Schedule B, Line 1, the lesser of the amounts appearing in Column 2 or Column 4, Line 5. (Taxable at 32% rate)

**Supplemental Schedule of Gains and Losses**  
Sales, Exchanges and Involuntary Conversions under Sections 1231, 1245, 1250, etc.  
To be filed with Form 1040, 1041, 1065, 1120, etc.—See Instruction A

**1972**

Name **STAMFORD MOTORS, INC.** Identifying number as shown on page 1 of your return **04-0547035**

**Section 1231**  
**Sales or Exchanges of Property Used in Trade or Business and/or Involuntary Conversions**

**SECTION A—Involuntary Conversions Due to Casualty and Theft (See Instruction D)**

a. Kind of property (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	g. Gain or (loss) (d plus e less f)
1						

2 Combine the amounts on line 1, enter here and also on the appropriate line as follows . . . . .

- (a) For all returns, except partnership returns:  
(1) If line 2 is zero or a gain, enter such amount in column g, line 3.  
(2) If line 2 is a loss, enter the loss on line 5.  
(b) For partnership returns: Enter the amount shown on line 2, on line 6, Schedule K (Form 1065).

**SECTION B—Sales or Exchanges of Property Used in Trade or Business and Certain Involuntary Conversions (Not Reportable in Section A) (See Instruction D)**

3 <b>LAND AND Building</b>	<b>6/1/68</b>	<b>6/2/72</b>	<b>185000</b>		<b>223,336</b> (See Schedule E)	<b>38,336</b>

4 Combine the amounts on line 3, enter here and also on the appropriate line as follows . . . . .

- (a) For all returns, except partnership returns:  
(1) If line 4 is a gain, enter such gain as a long-term capital gain on the Schedule D (Form 1040, 1120, etc.) that is being filed—see instruction D.  
(2) If line 4 is zero or a loss, enter such amount on line 6.  
(b) For partnership returns: Enter the amount shown on line 4, on line 7, Schedule K (Form 1065).

**Ordinary Gains and Losses**

a. Kind of property and how acquired (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, cost of subsequent improvements and expense of sale	g. Gain or (loss) (d plus e less f)
5 Amount, if any, from line 2(a)(2)						
6 Amount, if any, from line 4(a)(2)						<b>38,336</b>
7 Gain, if any, from line 21						
8						

9 Combine lines 5 through 8, enter here and also on the appropriate line as follows . . . . .

- (a) For all returns, except individual returns: Enter the gain or (loss) shown on line 9, on the line provided for on the return (Form 1120, etc.) being filed—see instruction E, for specific line reference.  
(b) For individual returns:  
(1) If the gain or (loss) on line 9, includes losses which are to be treated as an itemized deduction on Schedule A (Form 1040) (see instruction E), enter the total of such loss(es) here and include on line 30, Schedule A (Form 1040)—Identify as loss from line 9(b)(1), Form 4757.  
(2) Redetermine the gain or (loss) on line 9, excluding the loss (if any) entered on line 9(b)(1). Enter here and on line 37, Form 1040.



## UTILITY SCHEDULE

CRICKET 19-1750

Name STAMFORD MOTORS, INCSocial Security or  
Identification No. 06-0547035

Address \_\_\_\_\_

Form 1120 Schedule \_\_\_\_\_ Line \_\_\_\_\_ Year 1972Schedule M-2 Line 3 Other Increases

NONTAXABLE GAIN ON LIQUIDATION  
OF SUBSIDIARY - KELSING REALTY,  
PER SECTION 332 IRC  
See STATEMENT of Information

29116 NSchedule M-2 Line 6 - Other Decreases

Reduction of BASIS of REPLACEMENT  
PROPERTY BY GAIN ON INVOLUNTARY  
CONVERSION (due to FIDCO), PREVIOUSLY  
CREDITED TO RETAINED EARNINGS.  
PER SECTION 1033 IRC.

213797 N

## UTILITY SCHEDULE

Name STAMFORD MOTORS, INC  
Address \_\_\_\_\_Social Security or  
Identification No. 06-0547035Form 1120 Schedule \_\_\_\_\_ Line \_\_\_\_\_ Year 1972LINE 10: OTHER INCOME:

SERVICE FEES	555
DISCOUNTS EARNED	1534
FINANCE INCOME	16008
DEALER SWAPS - HOLD/BACK - JUDRY	995
DOCUMENTARY FEES	8167
<b>TOTAL</b>	<b>36245</b>

LINE 17: TAXES:

PAYROLL	30198	1
REAL ESTATE	23387	1
PERSONAL PROPERTY	11992	1
CARR. CORP. TAX	3543	1
MISC. STATE - LOCAL	371	1
<b>TOTAL</b>	<b>69491</b>	

Schedule L - LINE 8 OTHER INVESTMENTS

	<u>Beq</u>	<u>End</u>
AUTO LEASE of AMERICA	9975	9975
KEISING REALTY INC	30000	NONE
	<b>39975</b>	<b>9975</b>

Schedule L - LINE 13 - OTHER ASSETS

	<u>Beq</u>	<u>END</u>
CONSTRUCTION IN PROGRESS	NONE	48285
LESS: EARN DEFERRED PER SEC 1033	-	(213797)
RE: FIRE LOSS	-	(165512)
	<b>NONE</b>	<b>(165512)</b>



## UTILITY SCHEDULE

OMB 17-2733

Name STAMFORD MOTORS, INCSocial Security or  
Identification No. 06-0547035 X

Address \_\_\_\_\_

Form 1120 Schedule \_\_\_\_\_ Line \_\_\_\_\_ Year 1972 XLINE 26: OTHER DEDUCTIONS:

PRE-DELIVERY EXPENSES	782	^
SERVICE COSTS + POLICY ADJUSTMENTS	26562	^
ADVERTISING + PROMOTION	13782	^
EMPLOYEE TRAINING	1981	^
DEMO-EXPENSE	19952	^
TOOLS + SERVICE SUPPLIES	15942	^
FREIGHT	515	^
SERVICE MAINTENANCE	1514	^
INSURANCE - BUILDING	2459	^
INSURANCE - OTHER	17710	^
WORKMEN'S COMPENSATION	3607	^
HOSPITALIZATION + GROUP INS	21003	^
INSTITUTIONAL ADVERTISING - PROMOTION + ENTERTAINMENT	6315	^
UTILITIES	10610	^
TELEPHONE	9562	^
OFFICE SUPPLIES	6604	^
DATA PROCESSING CHARGES	14801	^
PROFESSIONAL FEES	11845	^
DUES + SUBSCRIPTIONS	910	^
AUTO RENTAL	5794	^
DISCOUNTS ALLOWED	957	^
MISCELLANEOUS	1082	^
<b>TOTAL</b>	<b>194229</b>	<b>X</b>

FORM 4797 SECTION B: LINE 3 BASIS:PROPERTY ACQUIRED THROUGH LIQUIDATION  
OF SUBSIDIARY UNDER SECTION 332, IRCBASIS IN HANDS OF LIQUIDATED SUBSIDIARY  
SEE STATEMENT ATTACHED

212029 ^

EXPENSE OF SALE - BROKERAGE + OTHER FEES

11307 ^

TOTAL BASIS + EXPENSE OF SALE

223336 X

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- x  
EINAR A. HELSING,

Plaintiff,

(L.P.G.)  
73 Civ. 5394

-against-

STAMFORD MOTORS, INC.,

STATEMENT PURSUANT TO  
GENERAL RULE 9(g)

Defendant.  
----- x

This statement is submitted by plaintiff Einar A. Helsing ("Helsing") pursuant to General Rule 9(g) of this Court in support of his motion for summary judgment under Fed.R.Civ.P. 56. Helsing contends that no genuine issue to be tried exists with respect to the following material facts:

1. By an agreement dated December 19, 1969 between Helsing and defendant (hereinafter referred to as the "Agreement") Helsing sold his stock interest in the defendant corporation.

2. As part of the Agreement defendant agreed that if it sold a certain parcel of real property located on South Street in Stamford, Connecticut (hereinafter referred to as the "South Street Property") within three years of December 19, 1969 and the net selling price, as defined in the Agreement, exceeded \$700,000, it would pay Helsing a sum of money equal to twenty-five percent of the difference between said net selling price and \$700,000.

3. Paragraph 3 of the Agreement defines "net selling price" as the sale price less expenses incurred for commission, legal fees, transfer taxes and all federal, state or local income or other taxes.



4. By the terms of the Agreement, all sums due under paragraph 3 were payable ninety days after the sale of the South Street Property; viz., September 27, 1972.

5. On or about June 26, 1972, defendant sold the South Street Property and received consideration therefor in the gross amount of \$830,000 pursuant to the terms of a written agreement between defendant and Cleante A. Pimpinella and Ralph M. Grasso.

6. The only proper adjustments to the gross sale price of the South Street Property in order to calculate the "net selling price" within the meaning of paragraph 3 of the Agreement were legal fees paid by defendant in an amount less than \$3,573 and a transfer tax in the amount of \$913. Accordingly, the "net selling price" of the South Street Property within the meaning of paragraph 3 of the Agreement was \$825,514.

7. The amount due Holding under the Agreement; i.e., twenty-five percent of the difference between the "net selling price" (\$825,514) and \$700,000, is \$31,378.50.

Dated: New York, New York  
June 13, 1974

BATTLE, FORNER, LIESTONE, JAFFIN,  
PIERCE & KNEEL

By MICHAEL J. SALTZER  
A MEMBER OF THE FIRM

Attorneys for Plaintiff  
206 Park Avenue  
New York, New York 10017  
(212) 906-9330

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X

EINAR A. HELSING,	:	73 Civ. 5394 (LPG)
	:	
Plaintiff,	:	NOTICE OF CROSS-
	:	MOTION
-against-	:	-and-
	:	SUMMARY JUDGMENT
STAMFORD MOTORS, INC.,	:	<u>ANSWERING PAPERS</u>
	:	
Defendant.	:	

-----X

PLEASE TAKE NOTICE that upon the annexed affidavit of W. Shelby Coates, Jr., Esq., sworn to on July 17, 1974 and the annexed affidavits of Mr. David A. Broudy and George G. Vest, Esq., each sworn to on July 16, 1974, and upon the pleadings and proceedings heretofore had herein, defendant Stamford Motors, Inc., will move this Court before the Honorable Lee P. Gagliardi, U.S.D.J., at the United States Courthouse, Foley Square, New York, New York, on July 23, 1974 at 4:00 o'clock in the afternoon of that day, for an order (1) granting summary judgment in favor of defendant for the relief demanded in defendant's counterclaim herein, (2) denying plaintiff's motion for summary judgment dated June 13, 1974, and (3) dismissing plaintiff's complaint, all pursuant to Fed. R.Civ.P. No. 56; and defendant prays for such other and further relief as to the Court may seem just and proper.

Dated: New York, New York  
July 17, 1974

HYDE, DICKERSON & REILLY

By W. Shelby Coates, Jr.

A Member of the Firm

Attorneys for Defendant

Office and P.O. Address:

61 Broadway

New York, New York 10006

(Telephone: 212 WH 3-7000)



TO:

Battle, Fowler, Lidstone, Jaffin, Pierce & Kheel  
Attorneys for Plaintiff  
280 Park Avenue  
New York, New York 10017

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x

ZINAR A. HELSING,	:	73 Civ. 5394 (LPG)
	:	
Plaintiff,	:	AFFIDAVIT OPPOSING
	:	PLAINTIFF'S MOTION
-against-	:	FOR SUMMARY JUDGMENT
	:	AND SUPPORTING
STAMFORD MOTORS, INC.,	:	DEFENDANT'S
	:	CROSS-MOTION FOR
Defendant.	:	<u>SUMMARY JUDGMENT</u>

-----x

STATE OF NEW YORK     )  
                              : ss.:  
COUNTY OF NEW YORK    )

W. SHELBY COATES, JR., being duly sworn, deposes  
and says:

1. I am a member of Hyde, Dickerson & Reilly,  
attorneys for Stamford Motors, Inc., the defendant herein.  
This affidavit is made on behalf of Stamford Motors, Inc.,  
the said defendant.

2. Plaintiff's motion for summary judgment was  
dated June 13, 1974 and, by stipulation of counsel, the return  
date of the motion was adjourned from June 25, 1974 to July  
23, 1974. It has been further agreed between counsel that  
defendant's answering papers are to be personally served at  
or before 5:00 p.m., July 17, 1974 and that plaintiff's reply  
papers are to be personally served on July 22, 1974.

3. Deponent respectfully urges that the annexed



affidavits of George G. Vest, Esq. and Mr. David A. Broudy show facts entitling cross-movant, Stamford Motors, Inc., to judgment as a matter of law.

WHEREFORE, deponent, on behalf of defendant, Stamford Motors, Inc., respectfully prays for an order (1) granting summary judgment in favor of defendant for the relief demanded in defendant's counterclaim herein, (2) denying plaintiff's motion dated June 13, 1974 for summary judgment, and (3) dismissing plaintiff's complaint; and deponent prays on behalf of defendant for such other and further relief as to the Court may seem just and proper.

s/ W. Shelby Coates, Jr.  
W. Shelby Coates, Jr.

Sworn to before me this  
17th day of July, 1974

THOMAS J. WHALEN  
Notary Public, State of New York  
No. 27-102230  
Qualified in New York County  
Commission Expires March 30, 1976

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- x

EINAR A. HELSING,

Plaintiff

(L.P.G.)  
73 Civ. 5394

-against-

STAMFORD MOTORS, INC.,

AFFIDAVIT

Defendant.

----- x

STATE OF CONNECTICUT)

) ss:

COUNTY OF FAIRFIELD )

George G. Vest, being duly sworn, deposes and says:

1. I am a member of the firm of Cummings & Lockwood, attorneys-at-law, with offices at One Atlantic Street, Stamford, Connecticut. I am a member in good standing of the Bar of the State of Connecticut.

2. I am Secretary and my firm acts as general counsel for Stamford Motors, Inc. ("Stamford"), defendant in the above-entitled action.

3. Pursuant to the request of the President of Stamford, I prepared the Stock Purchase Agreement dated December 19, 1969 which is attached to the plaintiff's complaint as Exhibit A ("Agreement"). The redemption price set forth in the Agreement was determined partly by reference to the book value of Stamford as set forth in certified financial statements of Stamford and its wholly-owned subsidiaries, Auto Lease of America, Inc. and Kelsing Realty, Inc., all dated June 30, 1969 (Copies of the financial statements are attached hereto as Exhibits 1, 2 and 3), and partly by adjusting the values



of certain assets to reflect their fair market value.

4. Stamford owned certain real property located on South Street (now Washington Boulevard) Stamford, Connecticut (hereinafter "South Street Property") which it had acquired a number of years prior to the proposed redemption. This property had substantially appreciated in value. I was advised that for purposes of computing the redemption price, the parties to the Agreement had determined that the South Street Property had a net value, after the payment of all expenses which might be incurred in connection with its disposition, of \$700,000.

5. However, in arriving at the \$700,000. value for the South Street Property, both Stamford and plaintiff herein recognized that Stamford might realize substantially more or less than the net amount of \$700,000. utilized in arriving at the redemption price. To provide for this eventuality in the event the property was disposed of within three years after the date of the Agreement, Stamford and plaintiff agreed to adjust the purchase price either upward or downward by one-fourth of the amount that the net selling price was greater or less than \$700,000. The 25% figure was utilized because the plaintiff owned 25% of the outstanding stock of Stamford.

6. To reflect this intention, I provided that the phrase "net selling price" shall mean the selling price of the South Street Property computed by deducting all expenses incurred by Stamford attributable to the sale. No expenses were excepted whether they were prepaid, accrued or deferred expenses, since the intention of the parties was to increase

or decrease the redemption price by the amount that the net worth of Stamford is heretofore adjusted by including the South Street Property at \$700,000, was increased or decreased by reason of its disposition.

7. On or about August 16, 1972, Stamford exchanged the South Street Property for real property located on Magee Avenue, Stamford, Connecticut (hereinafter "Magee Avenue Property"). For purposes of the exchange, the value attributable to the South Street Property was \$830,000. Under section 1031 of the Internal Revenue Code, no gain was recognized to Stamford on the exchange of like kind property. Instead, the basis for gain or loss of the Magee Avenue Property in Stamford's hands was the same as Stamford's basis for the South Street Property. Thus, the tax on the gain was postponed until the subsequent sale of the Magee Avenue Property.

8. Plaintiff's attorney in his affidavit indicates that paragraph 3 of the Agreement is limited to taxes payable within ninety days after the sale of the property. To the contrary, the Agreement has no limitation on when the taxes will be payable. The ninety-day limitation refers solely to the payments due the company from the stockholder or vice versa.

9. Plaintiff's attorney in his affidavit states that Stamford's 1972 federal and state income tax return indicates that no federal income taxes were paid by Stamford on the exchange of the South Street Property. As indicated, section 1031 of the Internal Revenue Code specifically provides that no gain is to be currently recognized on the exchange of like kind property, since such an exchange is not treated



as a sale and does not result in income or an increase in net worth. Connecticut follows this rule.

10. Plaintiff's attorney in his affidavit argues on the one hand that the exchange of the South Street Property for the Magee Avenue Property constituted a sale and, on the other hand, that no taxes are due on such sale because it is not a sale for federal income tax purposes. However, if the transaction is a sale, proper accounting requires that the taxes which are postponed by reason of section 1031 must be carried as a deferred liability; otherwise, the income and net worth of Stamford would be misstated. The Agreement requires that in determining the "net selling price" all expenses be taken as a deduction. It does not state all expenses except deferred taxes.

11. Based on the affidavit of David A. Broudy, certified public accountant, filed herewith, Stamford had deferred federal and state income taxes of \$263,239. by reason of the exchange assuming that the assigned value of \$830,000. for the South Street Property is used as the gross selling price. Also, plaintiff's attorney in his affidavit concedes that conveyance taxes paid by Stamford to the City of Stamford in the amount of \$913. are a proper deduction in computing net selling price. Finally, I have examined our firm's bills and time records for the period including August 16, 1972, which includes my firm's statement dated August 21, 1972, and believe that the reasonable value of our legal services attributable

to the exchange of the South Street Property including general services such as tax advice, attendance at directors' meetings and preparation of minutes of such meetings and specific services such as preparation of contracts of sale, deeds, attendance at the closing and negotiations in connection with the exchange, amounted to \$5,000.

Based on the above, the "net selling price" set forth in the Agreement should be computed as follows:

Assumed Gross Selling Price		\$830,000.
Less: Expenses		
Deferred Taxes	\$263,239.	
Conveyance Taxes	913.	
Legal fees	<u>5,000.</u>	
Total Expenses		<u>269,152.</u>
"Net Selling Price"		<u>\$560,848.</u>

This net selling price is \$139,132. less than \$700,000.

Based on the Agreement, plaintiff owes defendant 25% of this amount or \$34,783. which is the adjustment required where the property is disposed of within three years.

\_\_\_\_\_  
/s/ George G. Vest  
George G. Vest

Sworn to before me this  
16th day of July, 1974.

\_\_\_\_\_  
/s/ Alice Neale  
Notary Public



EXHIBIT 1

KURIANSKY, SOSNOWITZ & BROUDY

CERTIFIED PUBLIC ACCOUNTANTS

1435 BEDFORD STREET  
STAMFORD, CONNECTICUT

LOUIS J. KURIANSKY, C.P.A.  
DONALD SOSNOWITZ, C.P.A.  
DAVID A. BROUDY, C.P.A.  
EDWARD BACKER, C.P.A.  
LEONARD S. MURZIN, C.P.A.

TELEPHONE  
327-0530

August 11, 1969

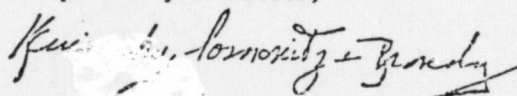
The Board of Directors  
Stamford Motors, Inc.  
Stamford, Connecticut

Gentlemen:

We have examined the books and records of Stamford Motors, Inc. as at June 30, 1969. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, together with the related schedules and notes, presents fairly the financial position of Stamford Motors, Inc. at June 30, 1969, in conformity with generally accepted accounting principles.

Respectfully submitted,



KURIANSKY, SOSNOWITZ & BROUDY

STANFORD MOTORS, INC.

BALANCE SHEET

JUNE 30, 1969

ASSETS

CURRENT ASSETS

Cash:		
State National Bank of Connecticut	96,793.	
On Hand	245.	
Total Cash		97,038.
Finance Contracts		40,495.
Due From Customers: (See Note 1)		
Vehicles	61,827.	
Parts & Service	22,959.	
	84,786.	
Less: Reserve For Uncollectible Items	1,093.	
Net Due From Customers		83,693.
Due From Ford Motor Company: (See Note 2)		
Wholesale Incentive	960.	
Warranty & Policy Claims	14,097.	
Less: Reserve For Adjustments	1,800.	
Vehicle Rebates, Incentives & Sundry Items	12,297.	
Total Due From Ford Motor Company	24,161.	37,418.
Insurance Proceeds Receivable (See Note 3)		3,500.
Inventories: (See Note 4)		
New Cars & Trucks	429,785.	
Demonstrators	35,393.	
Used Cars & Trucks	87,541.	
Parts, Accessories & Tires	46,725.	
Gas, Oil & Grease	743.	
Total Inventories		600,187.
Prepaid Insurance		4,683.
Total Current Assets		867,014.

FIXED ASSETS, Less Accumulated Depreciation  
(See Schedule A & Note 5) 152,368.

INVESTMENT IN SUBSIDIARIES (See Note 6)

Kelsing Realty, Inc.	- Capital Stock 100%	30,000.	
Auto Lease of America, Inc.	- Capital Stock 100%	9,975.	
	- Notes Receivable (Demand 7%)	375,000.	
Total Investment In Subsidiaries			414,975.

TOTAL ASSETS \$1,434,357.

KURIANSKY, SOSNOWITZ & BROUDY



STAMFORD MOTORS, INC.

BALANCE SHEET

JUNE 30, 1969

LIABILITIES & CAPITAL

LIABILITIES

Accounts Payable		45,196.
Accrued Expenses (See Schedule B & Note 7)		42,518.
Sales & Payroll Taxes		49,679.
Customer Deposits & Exchanges		12,073.
Rent Payable - Kelsing Realty, Inc.		7,200.
Provision For Federal Income & State Franchise Taxes: (See Note 8)		
Current Period	50,800.	
Less: Payment On Federal Estimate	<u>20,000.</u>	<u>30,800.</u>
<u>TOTAL LIABILITIES</u>		187,466.

CAPITAL

Capital Stock, Common		
Issued & Outstanding 300 Shares		
Par Value \$100. Per Share	30,000.	
Surplus		
Donated Surplus	5,000.	
Operating Surplus (See Note 10)	<u>1,211,891.</u>	
Total Surplus		<u>1,216,891.</u>
<u>TOTAL CAPITAL</u>		<u>1,246,891.</u>
<u>TOTAL LIABILITIES &amp; CAPITAL</u>		<u>\$1,434,357.</u>

KURIANSKY, SOSNOWITZ & BROUDY

SCHEDULE A

STANFORD MOTORS, INC.

SCHEDULE OF FIXED ASSETS & ACCUMULATED DEPRECIATION

JUNE 30, 1969

	<u>DEPRECIATION METHOD</u>	<u>FIXED ASSETS</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET</u>
Land		60,744.	00.	60,744.
Buildings:				
86 South Street	S.L. 3%	41,635.	18,102.	23,533.
100 South Street	D.B. 2½%	79,208.	25,504.	53,704.
Improvements	D.B. 10% & 17%	6,363.	5,861.	502.
Machinery & Shop Equipment	S.L. 13%	10,426.	30.	10,396.
Office Furniture & Fixtures	D.B. 10% & 13%	15,268.	13,450.	1,818.
Signs & Lighting	D.B. 10%	7,731.	6,873.	858.
Service Vehicles	S.L. 33%	<u>4,295.</u>	<u>3,482.</u>	<u>813.</u>
<u>TOTALS</u>		<u>\$225,670.</u>	<u>\$73,302.</u>	<u>\$152,368.</u>

S.L. - Straight Line

D.B. - 200% Declining Balance

KURIANSKY, SOSNOWITZ & BROUDY



SCHEDULE B

STAMFORD MOTORS, INC.

SCHEDULE OF ACCRUED EXPENSES

JUNE 30, 1969

Vacation Pay (Earned By Employees, Payable Subsequent To June 30, 1969)	11,375.
Christmas Bonus (One Half Of Estimated Bonus To Be Paid At Christmas, 1969)	5,025.
Profit Sharing Contribution (One Half Of Estimated Contribution To Be Paid For Year Ending December 31, 1969)	12,500.
Accounting Fees	3,500.
Directors' Fees	1,000.
Payroll & Sales Commissions	<u>9,118.</u>
<u>TOTAL ACCRUED EXPENSES</u> (See Note 7)	<u>\$42,518.</u>

KURIANSKY, SOSNOWITZ & BROUDY

STAMFORD MOTORS, INC.

NOTES TO BALANCE SHEET

JUNE 30, 1969

NOTE 1    DUE FROM CUSTOMERS

The Reserve For Uncollectible Items, \$1,093., was established by Management after a detailed review of the Accounts Receivable.

We believe this Reserve is reasonable.

NOTE 2    DUE FROM FORD MOTOR COMPANY

The Corporation maintains a Reserve For Adjustments Of Warranty & Policy Claims submitted to the Ford Motor Company. The balance of this account is \$1,800.

We believe this Reserve is reasonable.

NOTE 3    INSURANCE PROCEEDS RECEIVABLE

The Company has suffered estimated damages to vehicles totaling \$5,832.; however, it is the opinion of Management that recovery will be limited to \$3,500.

NOTE 4    INVENTORIES

Although observation of the taking of inventories of parts, accessories & tires (\$46,725.), and gas, oil & grease (\$743.) was omitted, we were able to satisfy ourselves as to their accuracy by the application of other auditing procedures.

NOTE 5    FIXED ASSETS

Amounts expended to rehabilitate the 86 South Street building are not included in Fixed Assets. Management is of the opinion that the occupancy of this building is temporary, and such expenses should be charged to earnings as incurred. During 1969 these expenses totaled \$8,345. We concur with Management that these expenses should not be charged to Fixed Assets.

The methods of depreciation are the same for financial accounting and income tax purposes. (See Schedule A)

No depreciation has been taken on assets acquired in 1969.

KURIANSKY, SOSNOWITZ & BROUDY



STAMFORD MOTORS, INC.

NOTES TO BALANCE SHEET  
(Continued)

JUNE 30, 1969

NOTE 6 INVESTMENT IN SUBSIDIARIES

In April, 1968 the Corporation organized and acquired the entire outstanding Capital Stock of Kelsing Realty, Inc. for a cash consideration of \$30,000.

In February, 1960 the Corporation acquired the entire outstanding Capital Stock of Auto Lease of America, Inc. for a cash consideration of \$30,000. Immediately subsequent to the acquisition, a dividend distribution of \$26,000. was made from Auto Lease of America, Inc., of which \$20,025. was determined to have been a Return of Capital. The Corporation carries this investment at its adjusted cost basis. (\$30,000., less \$20,025. or \$9,975.) The Corporation has loaned Auto Lease of America, Inc. \$375,000., payable on demand with 7% interest payable quarterly.

NOTE 7 ACCRUED EXPENSES

Expenses directly attributable to this engagement are included in accrued expenses as follows:

Accounting Fees	\$3,500.
Directors' Fees	\$1,000.

NOTE 8 PROVISION FOR FEDERAL INCOME & STATE FRANCHISE TAXES

The Balance Sheet does not provide for the taxes due in the event that the Corporation does not reinvest (pursuant to the applicable provisions of I.R.C. Section 1033) insurance proceeds from the fire loss incurred in 1968. The realized gain on this "involuntary conversion" was \$213,797. Should this gain be recognized for tax purposes, the additional liability for Federal Income and State Franchise Taxes would total \$64,000., exclusive of interest.

The Corporation's Federal Income Tax Returns have been examined by the Treasury Department through December 31, 1966.

KURIANSKY, SOSNOWITZ & BROEDY

STAMFORD MOTORS, INC.

NOTES TO BALANCE SHEET  
(Continued)

JUNE 30, 1969

NOTE 9 RECONCILIATION OF NET PROFIT FOR PERIOD ENDED JUNE 30, 1969

NET PROFIT FOR PERIOD ENDED JUNE 30, 1969

Per Statement Prepared By Management For Ford Motor Company 80,996.

ADJUSTMENTS

Deduct

Payment To Kelsing Realty, Inc. (Included As A Prepaid Item On Ford Motor Company Statement)	2,985.	
Occupancy Costs (Capitalized On Ford Motor Company Statement - See Note 5)	8,345.	
Legal Fees (Not Previously Recorded)	12,000.	
Additional Payroll Taxes	981.	
Items Not Provided For On Ford Motor Company Statement (See Schedule B)		
Vacation Pay	11,375.	
Christmas Bonus	5,025.	
Profit Sharing Contribution	12,500.	
Accounting Fees (Current Audit)	3,500.	
Directors' Fees (Special Meeting)	1,000.	
Reserve For Uncollectible Items (Due From Customers)	1,093.	
Insurance Proceeds Receivable Adjustment (Included On Ford Motor Company Statement At \$5,832.)	2,332.	
Total Deductions		<u>61,136.</u>
		19,860.

Add

Inventory Adjustments:		
Tires	96.	
Used Cars	2,000.	
Customer Deposits & Exchanges Not To Be Applied Or Returned	2,889.	
Provision For Federal Income & State Franchise Taxes:		
Per Ford Motor Company Statement	70,203.	
Per Balance Sheet	<u>50,800.</u>	<u>19,403.</u>
Total Additions		<u>24,388.</u>

NET PROFIT FOR PERIOD ENDED JUNE 30, 1969 (As Adjusted) \$44,248.

KURIANSKY, SOSNOWITZ & BROUDY



STANFORD MOTORS, INC.

NOTES TO BALANCE SHEET  
(Continued)

JUNE 30, 1969

NOTE 10 RECONCILIATION OF OPERATING SURPLUS

<u>OPERATING SURPLUS, JANUARY 1, 1969</u>	953,846.
<u>Add</u>	
Insurance Proceeds Received In 1969, In Excess Of Book Balances Of Assets Destroyed By Fire In 1968 (See Note 8)	213,797.
Net Profit For Period Ended June 30, 1969 (See Note 9)	<u>44,248.</u>
<u>OPERATING SURPLUS, JUNE 30, 1969</u>	<u>\$1,211,891.</u>

KURIANSKY, SOSNOWITZ & BROUDY

EXHIBIT 2

KURIANSKY, SOSNOWITZ & BROUDY

CERTIFIED PUBLIC ACCOUNTANTS

1437 BEDFORD STREET

STAMFORD, CONNECTICUT

LOUIS J. KURIANSKY, C.P.A.  
DONALD SOSNOWITZ, C.P.A.  
DAVID A. BROUDY, C.P.A.  
EDWARD BACKEN, C.P.A.  
LEONARD S. MURZIN, C.P.A.

TELEPHONE  
327-0530

August 11, 1969

The Board of Directors  
Auto Lease of America, Inc.  
Stamford, Connecticut

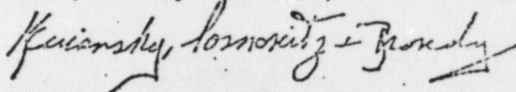
Gentlemen:

We have examined the books and records of Auto Lease of America, Inc. as at June 30, 1969. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Assets include \$26,000. for Goodwill, for which no consideration has been paid. (See Note 4 for details.)

In our opinion, except for the above qualification, the accompanying balance sheet, together with the related schedules and notes, presents fairly the financial position of Auto Lease of America, Inc. at June 30, 1969, in conformity with generally accepted accounting principles.

Respectfully submitted,



KURIANSKY, SOSNOWITZ & BROUDY



AUTO LEASE OF AMERICA, INC.

BALANCE SHEET

JUNE 30, 1969

ASSETS

CURRENT ASSETS

Cash:		
State National Bank of Connecticut	95,798.	
On Hand	25.	
Total Cash		95,823.
Accounts Receivable: (See Note 1)		
Current Leases	33,754.	
Expired Leases	7,364.	
Daily Rentals	1,384.	
Ford Motor Co. Incentives	2,250.	
	44,752.	
Less: Reserve For Uncollectible Items	5,000.	
Net Accounts Receivable		39,752.
Due From Employee		345.
Total Current Assets		135,920.

LEASED VEHICLES (See Note 2)

Cost (502 Vehicles)	1,763,436.	
Less: Accumulated Depreciation	643,346.	
Net Leased Vehicles		1,120,090.

FIXED ASSETS (See Note 3)

Air Conditioner & Office Equipment	2,617.	
Less: Accumulated Depreciation	2,201.	
Net Fixed Assets		416.

GOODWILL (See Note 4)

26,000.

TOTAL ASSETS

\$1,282,426.

KURIANSKY, SOSNOWITZ & BROUDY

AUTO LEASE OF AMERICA, INC.

BALANCE SHEET

JUNE 30, 1969

LIABILITIES & CAPITAL

LIABILITIES

Accounts Payable & Accrued Expenses (See Schedule A)	17,294.
Lease Security Deposits	32,776.
Notes Payable: (Due On Demand)	
Stamford Motors, Inc. (7%)	375,000.
State National Bank of Connecticut (8 3/4%)	485,000.
Profit Sharing Trust Contribution	2,600.
Federal Income & Connecticut State Franchise Taxes: (See Note 5)	
Current - Year Ended June 30, 1969	60,069.
Deferred	<u>1,586.</u>
	<u>61,655.</u>

TOTAL LIABILITIES

974,325.

CAPITAL

Capital Stock, Common	
Issued & Outstanding 300 Shares	
Par Value \$10. Per Share	3,000.
Surplus	
Capital Surplus (See Schedule B)	5,975.
Operating Surplus	<u>299,126.</u>
Total Surplus	<u>305,101.</u>

TOTAL CAPITAL

308,101.

TOTAL LIABILITIES & CAPITAL

\$1,282,426.

KURIANSKY, SOSNOWITZ & BROUDY

///



SCHEDULE A

AUTO LEASE OF AMERICA, INC.

SCHEDULE OF ACCOUNTS PAYABLE & ACCRUED EXPENSES

JUNE 30, 1969

ACCOUNTS PAYABLE

Maintenance & Collision Repairs	7,484.	
Payroll Taxes	1,568.	
Accounting Fees	1,600.	
Sundry Shop & Administrative Expenses	<u>533.</u>	
Total Accounts Payable		11,185.

ACCRUED EXPENSES

Interest On Notes Payable	1,768.	
Auto Insurance	2,100.	
Vacation Pay (Earned By Employees, Payable Subsequent To June 30, 1969)	1,578.	
Christmas Bonus (One Half Of Estimated Bonus To Be Paid At Christmas, 1969)	<u>663.</u>	
Total Accrued Expenses		<u>6,109.</u>

TOTAL ACCOUNTS PAYABLE & ACCRUED EXPENSES

\$17,294.

KURIANSKY, SOSNOWITZ & BRODY

SCHEDULE B

AUTO LEASE OF AMERICA, INC.

SCHEDULE OF CAPITAL SURPLUS

JUNE 30, 1969

On February 9, 1960, as authorized by the Board of Directors, "Goodwill" and contra "Capital Surplus" accounts were established on the books of the Corporation in the amount of 26,000.

On February 9, 1960, as authorized by the Board of Directors, a dividend, in the amount of \$26,000., was declared and paid to the Corporation's sole stockholder, Stamford Motors, Inc.

Of this amount, \$5,975. was determined to have been paid out of "Corporate earnings" and charged to Operating Surplus.

The remaining portion was determined to have been a "return of Capital" and charged to Capital Surplus 20,025.

CAPITAL SURPLUS BALANCE, JUNE 30, 1969 \$ 5,975.

KURIANSKY, SOSNOWITZ & BRODY



AUTO LEASE OF AMERICA, INC.

NOTES TO BALANCE SHEET

JUNE 30, 1969

NOTE 1      ACCOUNTS RECEIVABLE

The Reserve For Uncollectible Items, \$5,000., was established by the Corporation after a detailed review of the Accounts Receivable. We believe this Reserve is reasonable.

NOTE 2      LEASED VEHICLES

The cost of leased vehicles, \$1,763,436., does not include sales taxes and registrations. These items were charged directly against operations as they were incurred.

For both financial accounting and income tax purposes, depreciation is computed on the following basis, using a three year estimated useful life:

First Year	40% of Cost
Second Year	30% of Cost
Third Year	20% of Cost

Accumulated depreciation at June 30, 1969 is \$643,346.

No representation may be made relevant to the fair market value of leased vehicles at June 30, 1969.

NOTE 3      FIXED ASSETS

<u>ITEM</u>	<u>DATE ACQUIRED</u>	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>
Air Conditioner	August 1, 1962	1,000.	740.
Bookkeeping Machine	July 1, 1964	1,200.	1,200.
Typewriter	April 1, 1965	417.	261.
Totals		<u>\$2,617.</u>	<u>\$2,201.</u>

KURIANSKY, SOSNOWITZ & BROUDY

AUTO LEASE OF AMERICA, INC.

NOTES TO BALANCE SHEET  
(Continued)

JUNE 30, 1969

NOTE 4      GOODWILL

The amount attributable to Goodwill, \$26,000., was established on the books by authorization of the Board of Directors on February 9, 1960. (See Schedule Of Capital Surplus.) There was no consideration paid for the Goodwill.

No representation may be made relevant to the fair market value of Goodwill.

NOTE 5      FEDERAL INCOME & CONNECTICUT STATE FRANCHISE TAXES

Due to the fact that certain items are included on the Balance Sheet for financial accounting purposes earlier than they are included for income tax purposes, an interperiod tax allocation has been established as follows:

Accounts Receivable (Exclusive Of Daily Rentals)		38,368.
Less:		
Security Deposits Payable	32,776.	
Sundry Shop & Administrative Expenses Payable	533.	
Vacation Pay Accrued	1,578.	
Christmas Bonus Accrued	663.	35,550.
Net Interperiod Income		<u>\$ 2,818.</u>
Deferred Taxes on above, computed at current rates		<u>\$ 1,586.</u>

The Corporation's Federal Income Tax Returns have been examined by the Treasury Department through June 30, 1962.

KURIANSKY, SOSNOWITZ & BROUDY



EXHIBIT 3

KURIANSKY, SOSNOWITZ & BROUDY

CERTIFIED PUBLIC ACCOUNTANTS

1435 BEDFORD STREET

STAMFORD, CONNECTICUT

LOUIS J. KURIANSKY, C.P.A.  
DONALD S. SOSNOWITZ, C.P.A.  
DAVID A. BROUDY, C.P.A.  
EDWARD BACKER, C.P.A.  
LEONARD S. MURZIN, C.P.A.

TELEPHONE  
327-0530

August 11, 1969

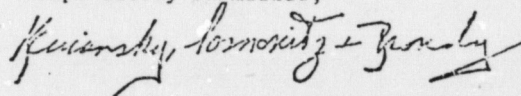
The Board of Directors  
Kelsing Realty, Inc.  
Stamford, Connecticut

Gentlemen:

We have examined the books and records of Kelsing Realty, Inc. as at July 31, 1969. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, together with the related notes, presents fairly the financial position of Kelsing Realty, Inc. at July 31, 1969, in conformity with generally accepted accounting principles.

Respectfully submitted,



KURIANSKY, SOSNOWITZ & BROUDY

KEISING REALTY, INC.

Balance Sheet

JULY 31, 1969

ASSETS

CURRENT ASSETS

Cash: State National Bank of Connecticut	2,758.
Rent Receivable: Stamford Motors, Inc. (4 Months)	<u>9,600.</u>
Total Current Assets	12,358.

FIXED ASSETS (Pledged To Secure Mortgage, Contra)

Land - Grenhart Road	194,000.
Land & Building - Ferris Avenue (See Note 1)	<u>30,000.</u>
	224,000.
Less: Accumulated Depreciation	<u>1,895.</u>
Net Fixed Assets	222,105.

TOTAL ASSETS

\$234,463.

LIABILITIES & CAPITAL

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	800.
Federal Income & Connecticut State Franchise Taxes	
Current Year Ended July 31, 1969 (See Note 2)	3,860.
Mortgage Payable - Due Within One Year	<u>7,500.</u>
Total Current Liabilities	12,160.

LONG TERM LIABILITIES (See Note 3)

Mortgage Payable (Secured By Fixed Assets, Contra)	192,058.
Less: Current Portion (Above)	<u>7,500.</u>
Net Long Term Liabilities	184,558.

TOTAL LIABILITIES

196,718.

CAPITAL

Capital Stock, Common	
Issued & Outstanding 1,000 Shares	
Par Value \$100. Per Share	10,000.
Surplus	
Donated Surplus	20,000.
Operating Surplus	<u>7,745.</u>
Total Surplus	27,745.

TOTAL CAPITAL

37,745.

TOTAL LIABILITIES & CAPITAL

\$234,463.

KURIANSKY, SOSNOWITZ & BROPHY



KELSING REALTY, INC.

NOTES TO BALANCE SHEET

JULY 31, 1969

NOTE 1      FIXED ASSETS

The cost of land and building - Ferris Avenue, \$30,000., has been allocated in the following manner:

Land	27%	8,100.
Building	73%	<u>21,900.</u>
Total		<u>\$30,000.</u>

For both financial accounting and income tax purposes, depreciation is computed on a 150% declining balance method, using a 20 year estimated life.

Accumulated depreciation at July 31, 1969 is \$1,895.

NOTE 2      FEDERAL INCOME & CONNECTICUT STATE FRANCHISE TAXES

The Corporation's Federal Income Tax Returns have not been examined by the Treasury Department.

NOTE 3      MORTGAGE PAYABLE

The Corporation is indebted to State National Bank of Connecticut on a mortgage, the present balance of which is \$192,058. Monthly interest and amortization payments currently total \$2,049., with the interest subject to a "float rate", not to exceed 3/4 of 1% over prime, to be determined quarterly. The interest currently being charged on the mortgage is 9 1/4%.

KURLANSKY, SOSENOWITZ & BRODNY

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- x

EINAR A. HELSING,

Plaintiff

(L.P.G.)  
73 Civ. 5394

-against-

STAMFORD MOTORS, INC.,

AFFIDAVIT

Defendant.

----- x

STATE OF CONNECTICUT)

) ss:

COUNTY OF FAIRFIELD )

David A. Broudy, being duly sworn, deposes and says:

1. I am a member of Kuriansky & Co., certified public accountants, with offices at 1100 Bedford Street, Stamford, Connecticut. I am a certified public accountant licensed under the laws of the State of Connecticut.

2. Kuriansky & Co. are the auditors for Stamford Motors, Inc. ("Stamford"), defendant in the above-entitled action, and I am responsible for the audit and tax work for Stamford.

3. Prior to August 16, 1972, Stamford was the owner of certain real property located on Washington Boulevard (formerly South Street), Stamford, Connecticut (hereinafter "South Street Property"). The undepreciated cost of the South Street Property on the books of Stamford as of August 16, 1972 was \$126,300.

4. On August 16, 1972, Stamford exchanged the South Street Property for real property located on Magee Avenue,



Stamford, Connecticut (hereinafter "Magee Avenue Property").

In addition to transferring the South Street Property, Stamford transferred \$212,138. in exchange for the Magee Avenue Property.

5. For purposes of the exchange of the South Street Property for the Magee Avenue Property, the parties assigned a value of \$830,000. to the South Street Property and for purposes of this affidavit I have assumed that that sum represents the fair market value of the South Street Property as of August 16, 1972.

6. Stamford's books of account reflect the value of its assets at the same value that it uses for federal income tax purposes (hereinafter "federal income tax method of accounting"). Under the Internal Revenue Code, an exchange of like kind property, such as the exchange of the South Street Property for the Magee Avenue Property, is a non-taxable exchange pursuant to section 1031 of the Internal Revenue Code. Pursuant to that section, the cost basis of the like kind property acquired on the exchange is the same as the cost basis of the like kind property exchanged. Thus, the basis of the Magee Avenue Property on the books of Stamford is \$338,438. which represents the cash consideration of \$212,138. and Stamford's undepreciated cost in the South Street Property of \$126,300. The exchange of the like kind property has no effect on either the income or net worth of Stamford under the federal income tax method of accounting. The long-term capital gain is deferred until the Magee Avenue Property is sold at some time in the future.

7. The federal income tax method of accounting is not an acceptable method of accounting for financial reporting purposes. Instead, based on the above facts and assumptions, the proper accounting treatment of the exchange of the South Street Property for the Magee Avenue Property for financial accounting purposes would require Stamford to include the gain in its pre-tax accounting income and to record the property received on its balance sheet at its assumed fair market value of \$830,000. increased by any additional consideration paid. In addition, there should be recorded on its balance sheet as a deferred liability, the amount of the tax that would have been paid by Stamford if it in fact had sold the South Street Property for \$830,000. The amount of this tax, which has been deferred is \$263,239., which represents federal capital gain taxes computed at a 30% rate in the amount of \$211,112. and Connecticut corporation business taxes computed at an 8% rate (after tax deduction) of \$52,127. The deferred tax should be placed on the corporation's balance sheet as a non-current liability. This deferred liability is necessary to reflect the fact that the gain is not recognized for federal income tax purposes pursuant to section 1031 of the Internal Revenue Code until the property is sold although the gain is includible in pre-tax accounting income in the year of the exchange pursuant to paragraph 34 of the Accounting Principles Board's Opinion No. 11.

8. Stamford's income statement must reflect the gain



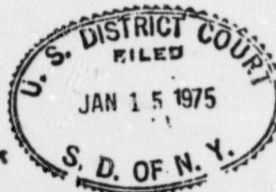
resulting from the exchange, which gain should be segregated thereon and reflected net of the applicable deferred taxes mentioned above. The gain to be recorded would be \$440,461. and the net selling price of the South Street Property after taking into consideration all deferred taxes (but no other expenses) would be \$566,761., being Stamford's cost basis of \$126,300. and its net gain of \$440,461.

/s/ David A. Broudy  
David A. Broudy

Sworn to before me this  
16th day of July, 1974.

/s/ Mildred H. Schwartz  
Notary Public

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK



-----X  
EINAR A. HELSING,

Plaintiff,

73 Civ. 5394

-against-

MEMORANDUM  
DECISION

STAMFORD MOTORS, INC.,

Defendant.

-----X  
G. GLIARDI, D. J.

#  
41732

Plaintiff Einar Helsing brings this action against defendant Stamford Motors, Inc. ("Stamford") seeking damages arising out of a contract between the parties whereby plaintiff redeemed his interest in the defendant corporation. Before the court are plaintiff's motion and defendant's cross-motion for summary judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure. Jurisdiction is predicated under 28 U.S.C. 51332. For the reasons set forth below, judgment for the plaintiff is granted.

There is no dispute between the parties as to the material facts. On December 19, 1969 Helsing and Stamford executed an agreement which provided for the redemption of Helsing's 25% interest in the corporation. In computing the value of Helsing's interest the parties agreed that the current net value of a certain parcel of its real property,



known as the "South Street Property," was \$700,000. To allow for adjustment of the redemption value in the event of a subsequent sale of the South Street Property, paragraph 3 of the agreement provided in pertinent part as follows:

"3. Subsequent Events, Increase or Reduction of Redemption Price: Stockholder and Company further agree that in the event the real estate presently owned by the Company and located on South Street in Stamford, Connecticut, is sold within three years from the date of this agreement and the net selling price (as hereinafter defined) is greater than or less than \$700,000 then (a) in the event it is greater than \$700,000, Company shall pay Stockholder as an increase in the redemption price 25% of the difference between the net selling price and \$700,000; or (b) in the event it is less than \$700,000, Stockholder shall pay Company as a decrease in the redemption price 25% of the difference between the net selling price and \$700,000.

On June 26, 1972 defendant Stamford exchanged the South Street Property valued at \$839,000 for real property valued at \$1,042,139 and paid the balance of \$212,139 in cash. The parties agree that the June 26 transaction constituted a sale for purposes of paragraph 3 of the agreement.

In connection with the exchange of the South Street Property defendant Stamford paid legal fees of \$3,573,<sup>1</sup> and a conveyance tax of \$913. Pursuant to section 1031 of the Internal Revenue Code,<sup>2</sup> 26 U.S.C. §1031, no gain was recognized to Stamford on the exchange of like kind property, and

therefore, no tax was paid. Similarly, under Connecticut law, no gain was recognized to Stamford on the exchange and no state capital gain tax was paid. Conn. Gen. Stat. Title 12, Section 12-506a(a) (1972).<sup>3</sup>

The sole issue presented is whether a potential deferred tax liability created by the section 1031 exchange is an "expense incurred" by Stamford for purposes of determining the "net selling price" under paragraph 3 of the agreement. "Net selling price" is defined in the agreement as:

"... selling price of the real estate computed by deducting all expenses incurred by the Company attributable to the sale including, but not limited to, commissions, legal fees, transfer taxes and all Federal, state or local income or other taxes payable by the Company, if any." (emphasis added)

Defendant argues that proper accounting practice requires it to offset the pretax accounting income arising out of the transaction by a deferred tax liability of \$263,239 which would have been paid assuming a taxable sale of the property, and thus, in a computation of "net selling price" that amount must be included as an expense attributable to the exchange. Plaintiff, on the other hand interprets the clause to mean that the only "expenses incurred" by Stamford were legal fees and a conveyance tax.

Under Connecticut law,<sup>4</sup> an agreement "... is to be construed according to what may be assumed to have been the understanding and intention of the parties. . . The ques-



tion is not what intention existed in the minds of the parties but what intention is expressed in the language used." Ginsberg v. Mascia, 149 Conn. 502, 506, 182 A.2d 4, 5-6 (1962). Nothing in the agreement suggests that the parties had any technical meaning in mind when using the word "incurred," and accordingly, the word must be given its ordinary meaning. See Ginsberg v. Coating Products, Inc., 152 Conn. 592, 210 A.2d 667 (1965). In Webster's Third New International Dictionary (Unabridged) (1966) "incur" is defined: "... become liable or subject to; bring down upon oneself." It is undisputed that Stamford has not paid and is not presently obligated to pay any federal or state capital gain taxes as a result of the exchange. Under section 1031 the tax liability, if any, is postponed until a subsequent sale of the acquired property, and in that event, any tax paid would be based upon that sale, not the exchange of the South Street Property. In essence, the purpose of section 1031 is to create a nontaxable event. Jordan Marsh Company v. Commissioner of Internal Revenue, 269 F.2d 453 (2d Cir. 1959). Moreover, it is entirely possible that the acquired property may never be sold, or that it may be transferred by another section 1031 exchange, or Stamford may otherwise dispose of it through liquidation or reorganization.<sup>5</sup> In sum, defendant's potential deferred tax liability is entirely hypothetical and clearly was not an "expense incurred" attributable to the South Street Property.

Accordingly, we hold that under the terms of the agreement, the "expenses incurred" are limited to the legal fees and the conveyance tax and do not include Stanford's potential deferred tax liability. Judgment for the plaintiff is granted. Submit order on 15 days' notice.

So Ordered.

U.S.D.J.

Dated: New York, New York  
January 10, 1975.

1. Motion for summary judgment.

2. To grant or deny summary judgment on the basis of the facts and law as stated in the motion and the papers in support thereof.

3. Under the terms of the agreement, the "expenses incurred" are limited to the legal fees and the conveyance tax and do not include Stanford's potential deferred tax liability. Judgment for the plaintiff is granted. Submit order on 15 days' notice.

4. The court shall grant summary judgment on the basis of the facts and law as stated in the motion and the papers in support thereof.



FOOTNOTES

1. The defendant's attorney's affidavit submitted in connection with this motion states that the reasonable value of legal fees attributable to the sale of the South Street Property was \$5,000. If the parties are unable to agree upon the appropriate amount of legal fees attributable to the sale, the matter will be referred to a Magistrate for hearing and report.

2. Section 1031 provides:

(a) Nonrecognition of gain or loss from exchanges solely in kind. -- No gain or loss shall be recognized if property held for productive use in trade or business or for investment (not including stock in trade or other property held primarily for sale, nor stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest) is exchanged solely for property of a like kind to be held either for productive use in trade or business or for investment.

3. Section 12-506a(a) provides:

(a) No gain or loss shall be recognized in regard to any exchange made in accordance with Title 26, sections 1031, 1033, 1034, 1035 and 1036 of the United States Internal Revenue Code of 1954, as amended.

4. Under Klaxon Co. v. Stentor Electric Mfg. Co., 313 U.S. 487 (1941) we must apply the choice of law rules of New York to determine whether New York or Connecticut law applies to the interpretation of the contract. In Intercontinental Pl., Ltd. v. Daystrom, Inc., 24 N.Y.2d 372, 300 N.Y.S.2d 817 (1969), the New York Court of Appeals held that with respect to choice of law rules concerning contracts it favored an approach which "... gives to the place 'having the most interest in the problem' paramount control over the legal issues arising out of a particular factual context. ..." (citation omitted). Plaintiff Holzing, a New York resident, does not urge the application of New York law, and indeed, apart from his residence, New York has no contact with the instant dispute. The performance of paragraph 3 of the agreement, which is in question, involves the sale of real property located in Connecticut

of the defendant corporation, and the expenses attributable to that sale necessarily incurred in Connecticut, including in part the application of Connecticut's statute relating to the taxation of capital gains. It is clear that this dispute has sufficient contacts with Connecticut to give Connecticut a substantial interest in the resolution of this controversy.

5. Although a tax may be incurred in a liquidation or reorganization, the tax, if any, would be based on the subsequent transaction and not on the exchange of the South Street Property.



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - - x

EINAR A. HELSING,	:	
	:	73 Civ. 5394 (LPG)
Plaintiff,	:	
	:	<u>NOTICE OF MOTION</u>
-against-	:	
STAMFORD MOTORS, INC.,	:	
	:	
Defendant.	:	

- - - - - x

SIRS:

PLEASE TAKE NOTICE, that upon the annexed memorandum of law and upon the pleadings, proceedings heretofore had herein, and this Court's Memorandum Decision dated January 10, 1975, defendant, Stamford Motors, Inc., will move this Court before the Honorable Lee P. Gagliardi, U.S.D.J., at the United States Courthouse, Foley Square, New York, New York, on February 11, 1975 at 4:00 o'clock in the afternoon of that day, for (1) reargument of the summary judgment motion made herein pursuant to Rule 56 of the Federal Rules of Civil Procedure, (2) reconsideration, modification, and amendment of the Court's Memorandum Decision and Order dated January 10, 1975 and filed on January 15, 1975, (3) a specific finding as to whether the term "sale" as used in paragraph 3 of the Agreement between the plaintiff and the defendant dated December 19, 1969 is defined in accordance with generally

accepted accounting principles, or, on the other hand, pursuant to principles of federal tax accounting (and if the latter for a determination of the summary judgment motion in favor of defendant), (4) adjournment of the settlement of the judgment proposed on January 22, 1975 by counsel for plaintiff to some time subsequent to the resolution of this motion, (5) an order granting defendant's cross-motion for summary judgment, denying plaintiff's motion for summary judgment and dismissing plaintiff's complaint, and (6) such other and further relief as to the Court may seem just and proper.

This motion is made pursuant to Rule No. 9(m) of the General Rules for the Southern District and pursuant to Rule 52(b) of the Federal Rules of Civil Procedure.

Dated: New York, New York  
January 24, 1975

HYDE, DICKERSON & REILLY

By s/ W. Shelby Coates, Jr.  
/A Member of the Firm  
Attorneys for Defendant  
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TO:  
BATTLE, FOWLER, LIDSTONE,  
JAFFIN, PIERCE & KHEEL, ESQS.  
(Attorneys for Plaintiff)  
280 Park Avenue  
New York, New York 10017



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
EINAR A. HELSING, :  
Plaintiff, : 73 Civ. 5394(LPG)  
-against- : DEFENDANT'S  
STAMFORD MOTORS, INC., : MEMORANDUM  
Defendant. : OF LAW  
-----X

POINT I

THE COURT OVERLOOKED THE CIRCUMSTANCE  
THAT THE PARTIES ARE NOT IN AGREEMENT  
AS TO THE PROPER CHARACTERIZATION OF  
THE JUNE 26, 1972 TRANSACTION

The Court states at page 2 of the Memorandum

Decision that:

"The parties agree that the June 26  
transaction constituted a sale for  
purposes of paragraph 3 of the  
agreement."

Defendant does not so agree.

The defendant does agree that if it is determined  
by the Court that the term "sale" constitutes any trans-  
action which would be treated as a sale under generally  
accepted accounting principles, such principles would be  
applicable for purposes of determining both income and  
liabilities under paragraph 3 of the Agreement. The  
defendant does not agree, however, that the transaction  
is a "sale" within the meaning of the Internal Revenue

Code or for federal tax accounting purposes; and since the Court has determined that the liabilities must be determined under principles of federal tax accounting, the entire transaction must be viewed under the same principles.

Federal tax accounting does not treat the exchange of unique real property as a sale and no income results therefrom pursuant to Section 1031 of the Internal Revenue Code. If federal tax accounting principles are consistently applied by the Court to the term "sale," there would be no "sale" within the meaning of paragraph 3 of the Agreement by reason of the exchange transaction.

Elaboration of Defendant's Argument

Defendant in the pleadings and in its memorandum of law (page 3) in support of its cross-motion for summary judgment has indicated that it agrees that the exchange was a sale under generally accepted accounting principles. However, that position was predicated on the assumption that if that was the definition of "sale" under the Agreement, the determination of liabilities for purposes of the same paragraph of the Agreement would also have to be determined in accordance with generally accepted accounting principles.

Such principles require that the deferred taxes be treated as a liability for accounting purposes. The Court in its Memorandum Decision has determined, however, that



the liabilities under the Agreement should not be determined in accordance with generally accepted accounting principles but rather should be determined pursuant to principles of federal income tax accounting. Accordingly, the Court determined that no Federal or Connecticut State taxes were "incurred" by reason of the exchange. However, not only does Section 1031 of the Internal Revenue Code operate to eliminate all tax liabilities arising from the exchange but it also eliminates all income arising from the exchange. In the absence of any income, there has not been a "sale" within the meaning of paragraph 3 of the Agreement. Tax accounting principles cannot be used for purposes of determining whether or not there has been income and, accordingly, a "sale" within the meaning of paragraph 3.

In effect, using principles of tax accounting, the income which Stamford supposedly realized on the exchange is just as hypothetical as the defendant's tax liabilities. Just as the Court concluded in its Memorandum Decision that the deferred tax liability is hypothetical, the same rationale would apply to the income hypothetically realized but clearly not actually realized on the exchange. The Court indicated on page 4 of its Memorandum Decision that "... it is entirely possible that the acquired property may never be sold, or that it may be transferred

by another Section 1031 exchange, or Stamford may otherwise dispose of it through liquidation or reorganization".

Under such circumstances the hypothetical income would not be realized just as the deferred taxes would not be realized. In short, if tax accounting principles are to be applied there was no income, there was no tax liability, and there was no sale within the meaning of paragraph 3 of the Agreement.

CONCLUSION

Defendant respectfully requests that the relief requested in the accompanying Notice of Motion be granted.

Dated: New York, New York  
January 24, 1975

Respectfully submitted,

HYDE, DICKERSON & REILLY  
(Attorneys for Defendant)  
Office and P.O. Address  
61 Broadway  
New York, N. Y. 10006  
Telephone: (212) 943-7000

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x

EINAR A. HELSING,	:	73 Civ. 5394 (LPG)
	:	
Plaintiff,	:	<u>NOTICE OF</u>
	:	<u>AMENDMENT</u>
-against-	:	<u>OF MOTION</u>
	:	
STAMFORD MOTORS, INC.,	:	
	:	
Defendant.	:	

-----x

S I R S:

PLEASE TAKE NOTICE that defendant's motion papers served and filed herein on January 24, 1975 are hereby amended in the following respects:

- (a) Notice of Motion: Item "(3)" of the numbered requests for relief on page one should read: "(3) specific finding as to whether the term 'sale' as used in paragraph 3 of the Agreement between the plaintiff and the defendant dated December 19, 1969 is defined in accordance with generally accepted accounting principles, or, on the other hand, pursuant to principles of federal tax accounting, and if said term is defined in accordance with federal tax accounting, the Court is asked to find that there was a sale within the meaning of paragraph 3 of the Agreement, and to open, vacate, or alter the Memorandum Decision and judgment of this Court accordingly. ..."
- (b) Defendant's Memorandum of Law: The sentence in the middle of page three (at lines 12-15) should read: "Tax accounting principles cannot be used for purposes of determining liabilities without also being used for the purposes of determining

whether or not there has been income  
and, accordingly, a 'sale' within  
the meaning of paragraph 3."

PLEASE TAKE FURTHER NOTICE that counsel for  
defendant intend to make the above changes on the original  
motion papers filed at court on January 24, 1975 prior to  
the return date of the motion.

Dated: New York, New York  
January 27, 1975

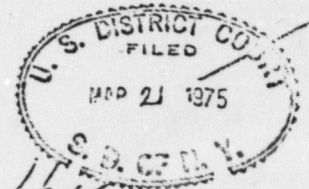
HYDE, DICKERSON & REILLY

By: s/ W. Shelby Crater Jr.  
A Member of the Firm  
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Telephone: 212 943-7000

TO:  
BATTLE, FOWLER, LIDSTONE, JAFFIN,  
PIERCE & KHEEL, ESQS.  
280 Park Avenue  
New York, New York 10017



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK



-----x  
EINAR A. HELSING,

Plaintiff,

(L.P.G.)  
73 Civ. 5394

-against-

STAMFORD MOTORS, INC.,

Defendant.

JUDGMENT

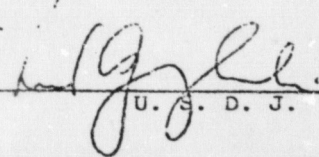
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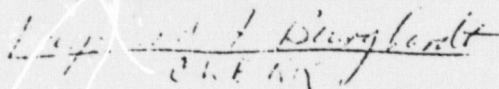
Plaintiff Einar A. Helsing having moved this Court for summary judgment and defendant Stamford Motors, Inc. having cross-moved for summary judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure and the Court having denied defendant's motion and granted plaintiff's motion, it is hereby

ORDERED AND ADJUDGED that plaintiff Einar A. Helsing recover of defendant Stamford Motors, Inc. the sum of \$31,378.50 with interest from November 17, 1972 at the rate of six percent per annum.

Dated: New York, New York  
February 16, 1975

  
\_\_\_\_\_  
U. S. D. J.

JUDGMENT ENTERED - 3-24-75

  
CLERK

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X  
EINAR A. HELSING, :

Plaintiff, : 73 Civ. 5394 (LPG)

-against- :

STAMFORD MOTORS, INC., :

Defendant. :

NOTICE OF APPEAL  
----- X

SIR:

Notice is hereby given that Stamford Motors, Inc.,  
defendant above named, hereby appeals to the United States  
Court of Appeals for the Second Circuit from the final  
judgment entered in this action on the 24th day of March,  
1975.

Dated: New York, New York  
April 8, 1975

HYLE, DICKERSON & REILLY  
(Attorneys for Defendant)

By W. Shelby Coates, Jr.  
A Member of the Firm  
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Tel.No.: 212-943-7000

TO:  
The Clerk  
United States District Court  
United States Courthouse  
Foley Square  
New York, New York 10007









COPY RECEIVED BY

DATE

7/10/75

BATTLE FOWLER, LIDSTONE

JAFFIN, PIERCE & KHEEU

